



ASIA Care U

ANNUAL REPORT 2003

BANK OF ASIA PUBLIC COMPANY LIMITED



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AUDIT REPORTS OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders of
Bank of Asia Public Company Limited

I have audited the consolidated balance sheet of Bank of Asia Public Company Limited and subsidiaries as at December 31, 2003, and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. I have also audited the balance sheet of Bank of Asia Public Company Limited as at December 31, 2003, and the statements of income, changes in shareholders' equity and cash flows for the year then ended. The management of Bank of Asia Public Company Limited is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

The consolidated financial statements of Bank of Asia Public Company Limited and subsidiaries for the year ended December 31, 2002 and the financial statements of Bank of Asia Public Company Limited for the year then ended which have been also presented herein for comparative purpose, were audited by another auditor, whose report dated February 19, 2003 expressed an unqualified opinion on those statements.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bank of Asia Public Company Limited and subsidiaries as at December 31, 2003 and the consolidated results of their operations and cash flows for the year then ended, and the separate financial position and results of operations and cash flows of Bank of Asia Public Company Limited for the same period, in conformity with generally accepted accounting principles.



Thirdthong Thepmongkorn
Certified Public Accountant
Registration No. 3787

KPMG Phoomchai Audit Ltd.
Bangkok
February 19, 2004

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

| | | Baht | | | |
|--|--------------|--------------------------------------|------------------------|-----------------------------------|------------------------|
| ASSETS | Notes | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | | 2003 | 2002 | 2003 | 2002 |
| Cash | | 3,148,121,858 | 3,264,613,897 | 3,147,989,867 | 3,264,525,615 |
| Interbank and money market items | 4 | | | | |
| Domestic items | | | | | |
| Interest bearing | | 164,008,429 | 1,113,484,637 | 73,281,822 | 1,045,434,016 |
| Non-interest bearing | | 1,459,998,684 | 1,545,867,207 | 1,471,132,433 | 1,550,698,946 |
| Foreign items | | | | | |
| Interest bearing | | 4,756,472,463 | 7,550,628,816 | 4,756,472,463 | 7,550,628,816 |
| Non-interest bearing | | 359,036,579 | 440,742,271 | 359,036,579 | 440,742,271 |
| Total interbank and money market items - net | | <u>6,739,516,155</u> | <u>10,650,722,931</u> | <u>6,659,923,297</u> | <u>10,587,504,049</u> |
| Securities purchased under resale agreements | 5 | 7,900,000,000 | 300,000,000 | 7,900,000,000 | 300,000,000 |
| Investments | 3.3,3.4,6,22 | | | | |
| Current investments - net | | 6,596,730,375 | 5,405,097,506 | 6,596,730,375 | 5,405,097,506 |
| Long-term investments - net | 3.19, 7 | 18,989,159,813 | 16,623,242,586 | 18,938,024,164 | 16,596,182,866 |
| Investments in subsidiaries and associated companies - net | | 165,837,506 | 147,842,296 | 697,814,423 | 532,525,998 |
| Total Investments - net | | <u>25,751,727,694</u> | <u>22,176,182,388</u> | <u>26,232,568,962</u> | <u>22,533,806,370</u> |
| Loans and accrued interest receivable | 3.6, 3.8, 8 | | | | |
| Loans | | 122,132,370,735 | 114,303,738,057 | 121,152,675,304 | 114,404,439,608 |
| Accrued interest receivable | | 1,259,243,326 | 1,048,836,091 | 1,254,395,913 | 1,044,877,644 |
| Total Loans and Accrued Interest Receivable | | <u>123,391,614,061</u> | <u>115,352,574,148</u> | <u>122,407,071,217</u> | <u>115,449,317,252</u> |
| Less Allowance for doubtful accounts | 3.7, 9 | (15,152,241,790) | (8,613,715,518) | (15,073,454,210) | (8,427,900,118) |
| Less Revaluation allowance for debt restructuring | 3.8, 10 | (279,923,454) | (330,895,944) | (279,923,454) | (330,895,944) |
| Loans and accrued interest receivable - net | | <u>107,959,448,817</u> | <u>106,407,962,686</u> | <u>107,053,693,553</u> | <u>106,690,521,190</u> |
| Properties foreclosed - net | 3.11, 11 | 13,936,693,097 | 13,514,594,678 | 13,963,646,761 | 13,539,379,734 |
| Customers' liabilities under acceptances | | 371,140,267 | 325,925,813 | 371,140,267 | 325,925,813 |
| Premises and equipment - net | 3.12, 12 | 3,117,907,558 | 2,766,625,818 | 2,738,430,005 | 2,386,162,180 |
| Leasehold improvements - net | 3.13 | 338,470,515 | 361,994,134 | 337,141,430 | 359,439,248 |
| Assets under construction and installation | | 175,133,068 | 340,993,381 | 175,133,068 | 340,993,381 |
| Goodwill | 3.3 | 7,836,441 | 9,491,208 | - | - |
| Other assets - net | | <u>1,067,600,998</u> | <u>1,151,793,605</u> | <u>947,976,765</u> | <u>788,180,555</u> |
| TOTAL ASSETS | | <u>170,513,596,468</u> | <u>161,270,900,539</u> | <u>169,527,643,975</u> | <u>161,116,438,135</u> |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

| | | Baht | | | |
|--|---------|--------------------------------------|------------------------|-----------------------------------|------------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | Notes | 2003 | 2002 | 2003 | 2002 |
| Deposits | 13 | | | | |
| Deposits in Baht | | 140,732,608,527 | 137,286,321,125 | 140,802,552,926 | 137,363,632,241 |
| Deposits in foreign currencies | | 1,248,231,495 | 1,168,981,251 | 1,248,231,495 | 1,168,981,251 |
| Total Deposits | | <u>141,980,840,022</u> | <u>138,455,302,376</u> | <u>142,050,784,421</u> | <u>138,532,613,492</u> |
| Interbank and money market items | 14 | | | | |
| Domestic items | | | | | |
| Interest bearing | | 2,567,379,764 | 953,576,914 | 1,729,480,690 | 943,377,656 |
| Non-interest bearing | | 936,193,525 | 182,172,373 | 947,709,376 | 182,172,373 |
| Foreign items | | | | | |
| Interest bearing | | 8,469,938 | 15,486,673 | 8,469,938 | 15,486,673 |
| Non-interest bearing | | 542,883,378 | 343,365,509 | 542,883,378 | 343,365,509 |
| Total interbank and money market items | | <u>4,054,926,605</u> | <u>1,494,601,469</u> | <u>3,228,543,382</u> | <u>1,484,402,211</u> |
| Liabilities payable on demand | | 1,395,637,007 | 1,187,756,390 | 1,395,637,007 | 1,187,756,390 |
| Securities sold under repurchase agreements | 15 | - | 400,000,000 | - | 400,000,000 |
| Borrowings | 16 | | | | |
| Short-term borrowings | | 900,344,650 | 8,150,000 | 900,344,650 | 8,150,000 |
| Long-term borrowings | 3.19, 7 | 4,014,775,671 | 4,917,022,650 | 4,014,775,671 | 4,917,022,650 |
| Total Borrowings | | <u>4,915,120,321</u> | <u>4,925,172,650</u> | <u>4,915,120,321</u> | <u>4,925,172,650</u> |
| Bank's liabilities under acceptances | | 371,140,267 | 325,925,813 | 371,140,267 | 325,925,813 |
| Accrued interest payable | | 495,571,538 | 628,627,178 | 496,125,981 | 629,654,736 |
| Accrued expense payable | | 558,376,113 | 459,870,511 | 530,671,329 | 436,489,997 |
| Other liabilities | | 2,144,690,389 | 1,664,657,629 | 1,942,327,061 | 1,465,436,323 |
| Total Liabilities | | <u>155,916,302,262</u> | <u>149,541,914,016</u> | <u>154,930,349,769</u> | <u>149,387,451,612</u> |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

| LIABILITIES AND SHAREHOLDERS' EQUITY (Continued) | Notes | Baht | | | |
|---|----------|--------------------------------------|------------------|-----------------------------------|------------------|
| | | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | | 2003 | 2002 | 2003 | 2002 |
| SHAREHOLDERS' EQUITY | | | | | |
| Share capital | 18 | | | | |
| Authorized share capital | | | | | |
| 5,382,844,520 ordinary shares, | | | | | |
| Baht 10 par value | | 53,828,445,200 | 53,828,445,200 | 53,828,445,200 | 53,828,445,200 |
| Issued and fully paid-up share capital | | | | | |
| 5,095,446,713 ordinary shares, | | | | | |
| Baht 10 par value | | 50,954,467,130 | 50,954,467,130 | 50,954,467,130 | 50,954,467,130 |
| Discount on share capital | | (11,145,837,378) | (11,145,837,378) | (11,145,837,378) | (11,145,837,378) |
| Unrealized increment on appraisal of assets | 3.12 | 749,676,160 | 751,683,579 | 749,676,160 | 751,683,579 |
| Unrealized gain (loss) on investment in securities - net | 6 | 667,255,913 | (372,385,189) | 667,255,913 | (372,385,189) |
| Unrealized loss on cash flow hedging instruments | 3.10, 17 | (86,553,929) | (96,759,603) | (86,553,929) | (96,759,603) |
| Retained earnings (deficit) | | | | | |
| Appropriated : | | | | | |
| Statutory reserve | 20 | 367,591,201 | 367,591,201 | 367,591,201 | 367,591,201 |
| Other reserve | | 72,000,000 | 72,000,000 | 72,000,000 | 72,000,000 |
| Unappropriated (deficit) | | (26,981,304,891) | (28,801,773,217) | (26,981,304,891) | (28,801,773,217) |
| Total Shareholders' equity | | 14,597,294,206 | 11,728,986,523 | 14,597,294,206 | 11,728,986,523 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 170,513,596,468 | 161,270,900,539 | 169,527,643,975 | 161,116,438,135 |
| OFF- BALANCE SHEET ITEMS | | | | | |
| - CONTINGENCIES | 21 | | | | |
| Avals to bills and guarantees of loans | | 1,031,136,618 | 860,428,148 | 1,031,136,618 | 860,428,148 |
| Liability under unmatured import bills | | 1,359,128,965 | 1,827,722,793 | 1,359,128,965 | 1,827,722,793 |
| Letters of credit | | 3,076,511,862 | 3,394,353,797 | 3,076,511,862 | 3,394,353,797 |
| Other contingencies | | 88,212,797,174 | 90,106,523,120 | 88,212,797,174 | 90,106,523,120 |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | Notes | Baht | | | |
|---|-------|--------------------------------------|------------------------|-----------------------------------|------------------------|
| | | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | | 2003 | 2002 | 2003 | 2002 |
| Interest and dividend income | | | | | |
| Loans | 3.1 | 5,255,980,974 | 5,469,781,385 | 5,244,017,958 | 5,480,724,705 |
| Interbank and money market items | | 223,533,209 | 376,472,735 | 222,707,391 | 376,026,216 |
| Hire purchase and financial lease income | 3.2 | 98,966,962 | 47,152,322 | - | - |
| Investment | 7 | 650,346,915 | 774,127,922 | 649,459,765 | 773,649,872 |
| Total interest and dividend income | | 6,228,828,060 | 6,667,534,364 | 6,116,185,114 | 6,630,400,793 |
| Interest expense | 3.5 | | | | |
| Deposits | | 1,926,765,769 | 2,615,580,349 | 1,927,083,152 | 2,616,701,687 |
| Interbank and money market items | | 126,785,091 | 80,843,681 | 112,147,345 | 80,865,894 |
| Short-term borrowings | | 53,528,929 | 650,214 | 53,528,929 | 650,214 |
| Long-term borrowings | | 275,991,781 | 328,933,331 | 275,991,781 | 328,933,331 |
| Total interest expense | | 2,383,071,570 | 3,026,007,575 | 2,368,751,207 | 3,027,151,126 |
| Net income from interest and dividends | | 3,845,756,490 | 3,641,526,789 | 3,747,433,907 | 3,603,249,667 |
| Net recovery (charge) from movements in bad debts and doubtful accounts | | 57,864,228 | (4,279,590,110) | 51,760,196 | (4,295,992,730) |
| Loss on debt restructuring | | - | (176,457,560) | - | (176,457,560) |
| Net profit (loss) from interest and dividends after net recovery (charge) from movements in bad debts and doubtful accounts and loss on debt restructuring | | 3,903,620,718 | (814,520,881) | 3,799,194,103 | (869,200,623) |
| Non-interest income | | | | | |
| Gain on disposal of securities | | 238,365,130 | 310,105,300 | 238,365,130 | 310,105,300 |
| Gain on revaluation of securities | | 545,674 | 303,710 | 545,674 | 303,710 |
| Reversal of loss on impairment of securities | 7 | 25,459,288 | 138,504,806 | 25,459,288 | 138,504,806 |
| Share of profit of subsidiaries and associated companies | | 47,957,093 | 13,032,598 | 189,673,326 | 60,465,491 |
| Fees and service income | | | | | |
| Acceptances, avals and guarantees | | 18,410,539 | 17,513,199 | 18,410,539 | 17,513,199 |
| Others | | 1,409,200,881 | 1,311,296,772 | 1,285,664,241 | 1,230,805,985 |
| Gain on exchange | | 349,634,148 | 256,668,704 | 349,634,148 | 256,668,704 |
| Gain on disposal of properties foreclosed | | 143,972,482 | 91,316,784 | 145,570,410 | 94,394,690 |
| Reversal of loss on revaluation of assets | | - | 4,398,227 | - | 4,398,227 |
| Rental income | | 240,710,388 | 200,653,176 | 68,922,871 | 52,279,500 |
| Other income | | 129,168,794 | 124,652,724 | 74,822,842 | 73,172,096 |
| Total non-interest income | | 2,603,424,417 | 2,468,446,000 | 2,397,068,469 | 2,238,611,708 |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | Notes | Baht | | | |
|--|--------------|--------------------------------------|------------------------|-----------------------------------|------------------------|
| | | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | | 2003 | 2002 | 2003 | 2002 |
| Non-interest expense | | | | | |
| Personnel expenses | | 1,901,354,097 | 1,723,285,157 | 1,816,020,882 | 1,653,003,874 |
| Premises and equipment expenses | | 1,001,277,349 | 905,950,679 | 850,339,118 | 743,259,249 |
| Taxes and duties | | 258,796,438 | 294,983,083 | 256,093,130 | 292,734,525 |
| Fees and service expenses | | 329,818,843 | 308,809,960 | 310,326,549 | 289,138,094 |
| Directors' remuneration | | 6,064,000 | 5,770,000 | 5,980,000 | 5,770,000 |
| Payments to the Financial Institutions | 3.16 | | | | |
| Development Fund | | 564,435,217 | 581,692,648 | 564,435,217 | 581,692,648 |
| (Reversal) loss on impairment of properties foreclosed | | (1,347,663) | 201,854,911 | - | 200,000,000 |
| Loss on diminution of other assets | | 23,141,053 | 159,782,459 | 25,117,971 | 159,782,459 |
| Other expenses | | 582,548,779 | 500,895,157 | 527,499,898 | 473,542,061 |
| Total non-interest expense | | 4,666,088,113 | 4,683,024,054 | 4,355,812,765 | 4,398,922,910 |
| Profit (loss) before income tax | | 1,840,957,022 | (3,029,098,935) | 1,840,449,807 | (3,029,511,825) |
| Income tax expense | 3.17, 25 | 22,496,115 | 412,890 | 21,988,900 | - |
| Net profit (loss) | | 1,818,460,907 | (3,029,511,825) | 1,818,460,907 | (3,029,511,825) |
| Earnings (loss) per share | 3.18, 28, 29 | | | | |
| Basic | | 0.36 | (0.66) | 0.36 | (0.66) |
| Diluted | | 0.36 | (0.65) | 0.36 | (0.65) |

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2002

| | Baht | | | | | | |
|---|---------------------------|------------------------------|--|---|--|------------------|-----------------|
| | Ordinary share capital | Discount on share capital | Unrealized increment on appraisal of assets | Unrealized gain (loss) on investment in securities - net | Unrealized gain (loss) on cash flow hedging instruments | Deficit | Total |
| Beginning balance as of December 31, 2001 | 38,275,804,790 | (4,806,506,208) | 769,854,998 | (264,141,263) | 1,142,208 | (25,334,677,610) | 8,641,476,915 |
| Issued and fully paid-up share capital | 12,678,662,340 | - | - | - | - | - | 12,678,662,340 |
| Discount on share capital | - | (6,339,331,170) | - | - | - | - | (6,339,331,170) |
| Amortisation of unrealized increment on appraisal of assets | - | - | (18,171,419) | - | - | 2,007,419 | (16,164,000) |
| Unrealized loss on investment in securities - net | - | - | - | (108,243,926) | - | - | (108,243,926) |
| Unrealized loss on cash flow hedging instruments | - | - | - | - | (97,901,811) | - | (97,901,811) |
| Gains (losses) not recognised in the statement of income | - | - | (18,171,419) | (108,243,926) | (97,901,811) | 2,007,419 | (222,309,737) |
| Net loss | - | - | - | - | - | (3,029,511,825) | (3,029,511,825) |
| Ending balance as of December 31, 2002 | 50,954,467,130 | (11,145,837,378) | 751,683,579 | (372,385,189) | (96,759,603) | (28,362,182,016) | 11,728,986,523 |

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2003

| | Baht | | | | | | |
|---|------------------------|---------------------------|---|--|---|------------------|----------------|
| | Ordinary share capital | Discount on share capital | Unrealized increment on appraisal of assets | Unrealized gain (loss) on investment in securities - net | Unrealized gain (loss) on cash flow hedging instruments | Deficit | Total |
| Beginning balance as of December 31, 2002 | 50,954,467,130 | (11,145,837,378) | 751,683,579 | (372,385,189) | (96,759,603) | (28,362,182,016) | 11,728,986,523 |
| Amortisation of unrealized increment on appraisal of assets | - | - | (2,007,419) | - | - | 2,007,419 | - |
| Unrealized gain on investment in securities - net | - | - | - | 1,039,641,102 | - | - | 1,039,641,102 |
| Unrealized gain on cash flow hedging instruments | - | - | - | - | 10,205,674 | - | 10,205,674 |
| Gains (losses) not recognised in the statement of income | - | - | (2,007,419) | 1,039,641,102 | 10,205,674 | 2,007,419 | 1,049,846,776 |
| Net profit | - | - | - | - | - | 1,818,460,907 | 1,818,460,907 |
| Ending balance as of December 31, 2003 | 50,954,467,130 | (11,145,837,378) | 749,676,160 | 667,255,913 | (86,553,929) | (26,541,713,690) | 14,597,294,206 |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | Notes | Baht | | | |
|--|-------|--------------------------------------|----------------------|-----------------------------------|----------------------|
| | | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | | 2003 | 2002 | 2003 | 2002 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Net profit (loss) | | 1,818,460,907 | (3,029,511,825) | 1,818,460,907 | (3,029,511,825) |
| Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | | 424,244,843 | 402,282,688 | 250,847,166 | 202,357,350 |
| Amortisation and loss on assets written off | | 99,874,037 | 61,033,584 | 98,648,231 | 59,824,959 |
| Amortisation of goodwill | | 1,654,767 | 1,654,767 | - | - |
| Unrealised gain on revaluation of securities | | (545,674) | (303,710) | (545,674) | (303,710) |
| Loss (reversal) on impairment of securities | 7 | 1,157,940,891 | (138,504,806) | 1,157,940,891 | (138,504,806) |
| Bad debt and doubtful accounts | | 56,919,050 | 4,833,850,124 | 65,000,000 | 4,849,020,184 |
| Loss on debt restructuring | | - | 176,457,560 | - | 176,457,560 |
| Interest income from amortization of revaluation allowance for debt restructuring | | (79,186,927) | (108,731,889) | (79,186,927) | (108,731,889) |
| Reversal of allowance for doubtful account-hire purchase | | (2,934,696) | (7,437,403) | - | - |
| Reversal of loss on revaluation of assets | | (2,206,020) | (4,398,227) | (2,206,020) | (4,398,227) |
| (Reversal) loss on impairment of properties foreclosed | | (1,347,663) | 201,854,911 | - | 200,000,000 |
| Loss on diminution of other assets | | 23,141,053 | 159,782,459 | 25,117,971 | 159,782,459 |
| Gain on disposal of long-term investments | | (211,630,369) | (297,803,892) | (211,630,369) | (297,803,892) |
| Gain on sales of premises and equipment | | (22,101,518) | (43,441,969) | (18,269,853) | (19,032,930) |
| Loss on translation of foreign currencies | | 74,082,165 | 724,030,944 | 74,082,165 | 724,030,944 |
| Amortisation of premium on long-term investments - net | | 35,388,654 | 57,599,638 | 35,388,654 | 57,599,638 |
| Scrip dividend income | | - | (546,914) | - | (546,914) |
| Decrease in interest and dividend receivables | | 288,206,681 | 51,796,299 | 286,501,082 | 50,188,779 |
| Increase in accrued non-interest income | | (39,216,331) | (7,776,103) | (32,162,516) | (8,511,503) |
| Decrease in accrued interest expenses | 7 | (127,814,934) | (121,672,786) | (128,288,051) | (121,817,272) |
| Increase in accrued non-interest expenses | | 110,611,030 | 185,443,456 | 94,181,332 | 179,394,519 |
| Share of profit of subsidiaries and associated companies | | (47,957,093) | (13,032,598) | (189,673,326) | (60,465,491) |
| Net cash inflow from operating activities before changes in operating assets and liabilities | | 3,555,582,853 | 3,082,624,308 | 3,244,205,663 | 2,869,027,933 |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | Notes | Baht | | | |
|---|-------|--------------------------------------|------------------|-----------------------------------|------------------|
| | | Consolidated Financial Statements | | Bank Only Financial Statements | |
| | | 2003 | 2002 | 2003 | 2002 |
| (Increase) decrease in operating assets | | | | | |
| Interbank and money market items | | 3,880,974,296 | 1,027,920,080 | 3,897,348,271 | 1,064,560,857 |
| Securities purchased under resale agreements | | (7,600,000,000) | 600,000,000 | (7,600,000,000) | 600,000,000 |
| Current investments | | 1,921,197,307 | (1,901,800,988) | 1,921,197,307 | (1,901,800,988) |
| Loans | | (3,792,625,164) | (8,587,035,255) | (2,888,169,196) | (8,002,455,874) |
| Properties foreclosed | | 1,130,514,692 | 332,419,572 | 1,124,048,904 | 324,668,769 |
| Other assets | | (109,316,871) | (103,903,947) | (86,077,091) | 170,749,870 |
| Increase (decrease) in operating liabilities | | | | | |
| Deposits | | 3,550,774,951 | (922,822,836) | 3,543,408,234 | (902,153,984) |
| Interbank and money market items | | 2,567,390,277 | (1,484,782,661) | 1,751,206,313 | (1,489,440,070) |
| Liabilities payable on demand | | 208,554,469 | 338,645,078 | 208,554,469 | 338,645,078 |
| Securities sold under repurchase agreements | | (400,000,000) | 400,000,000 | (400,000,000) | 400,000,000 |
| Other liabilities | | 484,313,290 | 567,270,736 | 491,423,474 | 359,040,870 |
| Net cash provided by (used in) | | | | | |
| operating activities | | | | | |
| | | 5,397,360,100 | (6,651,465,913) | 5,207,146,348 | (6,169,157,539) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sales of long-term investments | | 13,910,587,937 | 13,012,419,486 | 13,910,587,937 | 13,012,419,486 |
| Purchases of long-term investments | 7 | (19,189,265,245) | (11,115,884,328) | (19,170,766,299) | (11,715,884,328) |
| Dividend received | | 14,388,986 | 5,055,590 | 14,388,986 | 5,055,590 |
| Proceeds from sales of premises and equipment | | 79,152,080 | 51,838,210 | 36,309,598 | 39,616,240 |
| Purchases of premises and equipment | | (833,749,568) | (504,623,314) | (619,235,989) | (374,715,693) |
| Proceeds of premises and equipment insured | | - | 2,338,894 | - | 2,338,894 |
| Net cash (used in) provided by | | | | | |
| investing activities | | | | | |
| | | (6,018,885,810) | 1,451,144,538 | (5,828,715,767) | 968,830,189 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Increase in long-term borrowings | 7 | 505,033,671 | 3,693,333 | 505,033,671 | 3,693,333 |
| Increase in issue and fully paid-up share capital | | - | 6,339,331,170 | - | 6,339,331,170 |
| Net cash provided by financing activities | | | | | |
| | | 505,033,671 | 6,343,024,503 | 505,033,671 | 6,343,024,503 |
| NET DECREASE IN CASH AND | | | | | |
| CASH EQUIVALENTS | | | | | |
| | | (116,492,039) | 1,142,703,128 | (116,535,748) | 1,142,697,153 |
| CASH AND CASH EQUIVALENTS | | | | | |
| AS AT JANUARY 1, | 3.14 | 3,264,613,897 | 2,121,910,769 | 3,264,525,615 | 2,121,828,462 |
| CASH AND CASH EQUIVALENTS | | | | | |
| AS AT DECEMBER 31, | 3.14 | 3,148,121,858 | 3,264,613,897 | 3,147,989,867 | 3,264,525,615 |

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

| | | | | |
|------------|---------------|---------------|---------------|---------------|
| Interest | 2,516,146,324 | 3,147,680,361 | 3,147,680,361 | 3,148,968,398 |
| Income tax | 52,765,638 | 26,234,309 | 46,058,971 | 21,203,664 |

The accompanying notes are an integral part of these financial statements

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

1. GENERAL INFORMATION

Bank of Asia Public Company Limited ("the Bank") is a public limited company registered in the Kingdom of Thailand with its head office located at 191 South Sathon Road, Sathon, Bangkok. The Bank's main business is banking and the Bank conducts its business through a network of branches covering all parts of Thailand. As at December 31, 2003 and 2002, the Bank had a total staff of 2,952 persons and 3,018 persons, respectively.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND BASIS OF CONSOLIDATION

The accompanying financial statements have been prepared in the Thai language, are expressed in Thai Baht, and are in accordance with generally accepted accounting principles in Thailand and the announcement of The Bank of Thailand "Forms of Balance Sheet and Statement of Income of Commercial Bankse" dated May 10, 2001. These financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Thailand.

Other than specified in the notes to the financial statements, all balances presented in these financial statements are prepared under the historical cost basis.

For the convenience of the readers, an English version of the financial statements has been translated from the Thai version of the financial statements. These financial statements have been prepared for statutory reporting purposes in Thailand.

Subsidiaries are those enterprises controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Special purpose entities are consolidated when the substance of the relationship between the Bank and the special purpose entity indicates that the special purpose entity is controlled by the Bank. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. These subsidiaries are detailed as follows:

| | Business Type | Country of Registration | Percentage of Holdings | |
|--------------------------------|------------------|----------------------------|----------------------------|----------------------------|
| | | | As at December 31, 2003 | As at December 31, 2002 |
| Subsidiaries | | | | |
| Asia Property Co., Ltd. | Asset Management | Thailand | 99.99 | 99.99 |
| BOA Leasing Co., Ltd. | Leasing | Thailand | 99.99 | 99.99 |
| BOA Asset Management Co., Ltd. | Fund Management | Thailand | 99.99 | 99.99 |
| Asia Leasehold Co., Ltd. | Real Estate | Thailand | 99.93 | 99.93 |

The Consolidated and Bank only financial statements for the year ended December 31, 2003 do not include the operating results of Asia Property Co., Ltd. which is in the process of liquidation because they are not material to the Bank's financial statements.

The accompanying financial statements include the accounts of all branches and of the Bank's International Banking Facility after the elimination of significant inter-company transactions and balances.

The Bank received 76.21% of the common shares of High Rise Development Co., Ltd. as a result of debt restructuring. Since the Bank intends to dispose of this investment in the near future, the accounts of this company have not been included in the consolidated financial statements for the years ended December 31, 2003 and 2002.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002***3. SIGNIFICANT ACCOUNTING POLICIES****3.1 Interest income**

The Bank and its subsidiaries recognize interest on loans as income on an accrual basis, with the exception of income on import bills, which is recognized on a cash basis. In accordance with the Bank of Thailand's regulation, interest in arrears for more than 3 months from the due date, regardless of whether the loans are covered by collateral, is not accrued as interest income but is instead recognized as income when received. In addition, interest accrued in arrears for 3 months is reversed against interest income.

3.2 Hire purchase income

Hire purchase income is recognized by the "sum of the years digits" method which recognizes income in relation to the principal outstanding at the end of any given month over the period of installment.

3.3 Investments

The Bank and its subsidiaries classify investments in securities as either trading securities, available-for-sale securities, held-to-maturity securities, general investments (for non-marketable equity securities) or investments in subsidiaries and associated companies.

Investments in debt and marketable equity securities classified as trading securities are stated at fair value. Unrealized gains or losses arising on the revaluation of trading securities are reflected in the statement of income.

Investments in debt and marketable equity securities classified as available-for-sale securities are stated at fair value. Investments in debt securities are separated into short term or long term investments based on residual maturity. Unrealized gains or losses arising on the revaluation of available-for-sale securities are shown as a separate component of shareholders' equity and are realized in the statement of income upon disposal or impairment.

Investments in debt securities held to maturity are separated into short-term or long-term investments based on residual maturity and are stated at amortized cost net of allowance for impairment. Premiums and discounts arising on the acquisition of securities held to maturity are amortized or accreted to interest income in the statement of income over the term of the securities in order to provide a constant yield to maturity. Any loss from impairment is charged to the statement of income.

General investments, other than investments in subsidiaries and associated companies, are stated at cost net of allowance for impairment. Loss on impairment is charged to the statement of income.

Investments in subsidiaries and associated companies are recorded using the equity method. Goodwill is amortised by the straight-line method over a period of 10 years. In the event that the Bank's equity interest in a subsidiary or associated company represents a share of the net liabilities of that company, the resulting amount is recorded under the heading "other liabilities" in the balance sheet (see Note 6).

Realized gains or losses resulting from the disposal of securities are recognized in the statement of income by using the weighted average cost calculation method.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Interest income in respect of coupon payments on debt securities is recognized on an accrual basis.

Dividend income is recognized in the income statement on the date that the dividend is declared.

Income from equity investments and other non-fixed income investments is recognized as dividend income when it accrues.

3.4 Fair values of securities

Fair values of securities are calculated on the following bases:

For Government securities and state enterprises securities, fair values are calculated by using the Bank of Thailand formula, based on the risk free yield curve of the Bank of Thailand.

For listed equity securities, fair value is the last bid price quoted in The Stock Exchange of Thailand on the last business day of the year.

For private enterprises debt securities, the last closing prices of The Thai Bond Dealing Centre are used as fair values. In the absence of such prices, fair values are determined by applying the aforementioned yield curve adjusted for risk in accordance with the criteria established by the Bank of Thailand.

3.5 Interest expense

The Bank and its subsidiaries recognize interest expense on deposits and borrowings on an accrual basis.

3.6 Loans

Loans include overdrafts, loans, trade bills, hire purchase and finance lease receivables and other loans. Except for overdrafts, all items categorized under loans are disclosed as principal amount outstanding only with accrued interest income added as a single line item for all the instruments together.

Overdrafts are stated at the drawn amounts together with any accrued interest.

Discounts received in advance in respect of bills purchased and other unearned interest income are recognized on an accrual basis over the period to maturity of the loans.

3.7 Allowance for doubtful accounts

The BOT has guidelines for establishing a minimum level of allowance for doubtful accounts (see note 8), which is primarily determined by applying specified percentages to the different classifications of loans in conjunction with the consideration of collateral valuation. Loan classifications are based principally on the period that a loan is past due. The guidelines for establishing the minimum level of allowance for doubtful accounts have changed periodically.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002*

The Bank classifies its loans and advances at a customer level rather than by facility in recognition of the common credit risk attached to all facilities associated with a particular borrower. The Bank then determines an appropriate allowance for doubtful accounts for each customer based on this classification in accordance with the Bank's own conservative provisioning methodology.

Bad debts are written off as approved by the Board of Directors and are presented net of bad debt recoveries and movements in the allowance for doubtful accounts in the statement of income.

3.8 Debt restructuring

Certain loans have been restructured by transferring assets, transferring equity or modifying the terms of the loan.

Loans which have been restructured through a modification of terms ("modified loans") are stated at the present value of estimated future receivable cash flows using discount rates equivalent to the market interest rates applicable at the time of the restructuring.

A valuation allowance, calculated as the difference between the book value of these modified loans and the present value of the estimated future receivable cash flows, has been deducted in reaching the recorded amounts for modified loans. The valuation allowance is amortized to the statement of income over the life of the modified loan in order to provide a constant rate of return equivalent to market interest rates.

3.9 Foreign exchange

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at that date using reference exchange rates established by the Bank of Thailand, except for subordinated, convertible debentures which are translated at the fixed rates specified in the contract (see note 16).

Outstanding forward foreign exchange contracts are marked to market by comparing contract rates to forward rates established by the Bank for contracts with similar maturity. At each balance sheet reporting date, the unrealised gains or losses on outstanding forward foreign exchange contracts, calculated as described above, are included within other assets or other liabilities, respectively.

All foreign exchange gains or losses, except those relating to the effective hedge of a qualifying forecasted transaction (see Note 3.10), are recognized in the statement of income.

3.10 Hedge accounting

Where there is a hedging relationship between a derivative instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

A hedging relationship exists where:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

The fair value of derivative hedging instruments is calculated in the same way as the fair value of trading instruments (see note 3.5 above).

Where a derivative financial instrument hedges the exposure to changes in the fair value of a recognized asset or liability, the hedged item is stated at fair value in respect of the risk being hedged. Gains or losses on re-measurement of both the hedging instrument and the hedged item are recognized in the income statement. These amounts are included in gains less losses from non-trading financial instruments.

Where a derivative financial instrument hedges the exposure to variability in the cash flows of recognized assets or liabilities (or homogeneous groups/portfolios thereof) or anticipated transactions or firm commitments, the effective part of any gain or loss on re-measurement of the hedging instrument is recognized directly in equity. The ineffective part of any gain or loss is recognized in the income statement. The Bank has adopted this accounting treatment for hedges of floating interest rates through interest rate swaps to fixed rates (see note 17).

When a hedged anticipated transaction or firm commitment results in the recognition of an asset or liability, the cumulative gain or loss on the hedging instrument recognized in equity is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss recognized in equity is transferred to the income statement at the same time that the hedged transaction affects net profit or loss and included in the same line item as the hedged transaction.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognized in equity remains in equity and is recognized in accordance with the above policy. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is recognized in the income statement immediately.

3.11 Properties foreclosed

Properties foreclosed are stated at the lower of cost or market value. Market value is determined by using the latest appraisal value.

Properties foreclosed which have been received as a result of an asset swap are recorded at the lower of the legally claimable value of the loan or the market value of the property foreclosed.

Losses on impairment are charged to the statement of income. Gains on the sale of properties foreclosed are recognized only when such properties are sold.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

3.12 Premises and equipment

Land is stated at cost or valuation. Premises and equipment are stated at cost or valuation less depreciation. Depreciation are calculated by the straight-line method, based on the estimated useful lives of the assets, as follows:

| | |
|------------------------|----------|
| Premises | 50 years |
| Equipment | 5 years |
| Furniture and fittings | 5 years |
| Vehicles | 5 years |
| Office equipment | 5 years |

Land and buildings were reappraised in 2001 (after being previously appraised in 1993) by an independent appraiser. The increase resulting from the appraisal was recorded in the accounts as unrealised increment on the appraisal of land and buildings and shown as part of shareholders' equity. Amortisation of the increment on the appraisal of buildings is transferred direct to retained earnings (deficit).

3.13 Leasehold improvements

Leasehold property and building improvement are stated at cost less amortisation, which is calculated using the straight-line method, based on the contractual terms.

3.14 Cash and cash equivalents

Cash and cash equivalents are those amounts included in the balance sheet under the caption of cash, which consists of cash on hand and cash on collection.

3.15 Provident fund and severance payment scheme

The Bank established provident funds under the Provident Fund Act B.E. 2530 by joining "The Registered BOA Multiple Security Provident Fund" and "The Registered BOA Fixed Income Provident Fund" on December 29, 2000.

According to the Fund's regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the Fund at the rate of 2% or 5% of basic salary and the Bank contributes to the Fund at the rate of 5% of basic salary. The employees are entitled to the benefits upon termination of employment status except when the terminated employee has violated the rules of the Bank. Contributions to this fund commenced in January 2001.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Contributory provident funds which have been registered in accordance with the Provident Fund Act B.E. 2530 have also been set up by subsidiary companies.

The funds set up by the Bank and its subsidiaries in accordance with the Provident Fund Act B.E. 2530 are managed independently and therefore do not appear in the consolidated or individual balance sheets of the Bank and the relevant subsidiaries.

The Bank has a gratuities scheme which pays out every 5 years to employees with at least 5 years' continuous service, the benefit being based on monthly salary plus interest. The Bank also has a severance payment scheme for employees with at least 15 years' service, the benefit being based on the last month's salary and the service years of the employee. The provisions for both schemes are recorded as expenses over the period of employment. Payment to the employees will be made on the retirement date.

3.16 Contributions to the Financial Institutions Development Fund

Contributions to the Financial Institutions Development Fund are recorded as expenses for the year.

3.17 Income tax

Income tax payable is recorded as an expense for the year.

3.18 Earnings (loss) per share

Basic earnings (loss) per share is computed on the basis of the average number of ordinary shares outstanding weighted according to time and amount paid. The Bank has issued subordinated convertible bonds which the debenture holders have the right to convert into ordinary shares. The fully diluted loss per share information is presented in Note 29.

3.19 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank or its subsidiaries have a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

3.20 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

4. INTERBANK AND MONEY MARKET ITEMS (ASSETS)

| Amounts in Baht | | | |
|---|---------------|---------------|---------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | |
| As at December 31, 2003 | | | |
| | At Call | Time | Total |
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 1,470,760,567 | - | 1,470,760,567 |
| Commercial banks | 5,207,504 | 956,101 | 6,163,605 |
| Other banks | 361,866 | - | 361,866 |
| Finance companies, securities companies and credit foncier companies | | | |
| | 39,425,835 | 63,000,000 | 102,425,835 |
| Other financial institutions | - | 52,500,000 | 52,500,000 |
| Total domestic items | 1,515,755,772 | 116,456,101 | 1,632,211,873 |
| Add accrued interest receivable | 8,296 | 145,010 | 153,306 |
| Less allowance for doubtful accounts | (8,358,066) | - | (8,358,066) |
| Total | 1,507,406,002 | 116,601,111 | 1,624,007,113 |
| Foreign items | | | |
| US dollars | 8,216,088 | 4,754,640,000 | 4,762,856,088 |
| Yen | 117,138,886 | - | 117,138,886 |
| Other currencies | 233,681,605 | - | 233,681,605 |
| Total foreign items | 359,036,579 | 4,754,640,000 | 5,113,676,579 |
| Add accrued interest receivable | - | 1,832,463 | 1,832,463 |
| Total | 359,036,579 | 4,756,472,463 | 5,115,509,042 |
| Total domestic and foreign items - net | 1,866,442,581 | 4,873,073,574 | 6,739,516,155 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
CONSOLIDATED FINANCIAL STATEMENTS
 As at December 31, 2002

| | At Call | Time | Total |
|---|----------------------|----------------------|-----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 664,741,297 | - | 664,741,297 |
| Commercial banks | 927,823,123 | 1,022,238,975 | 1,950,062,098 |
| Other banks | 128,324 | - | 128,324 |
| Finance companies, securities companies and credit foncier companies | 700,000 | 25,000,000 | 25,700,000 |
| Other financial institutions | <u>2,636,227</u> | <u>-</u> | <u>2,636,227</u> |
| Total domestic items | 1,596,028,971 | 1,047,238,975 | 2,643,267,946 |
| Add accrued interest receivable | 16,061,925 | 83,527 | 16,145,452 |
| Less allowance for doubtful accounts | <u>(61,554)</u> | <u>-</u> | <u>(61,554)</u> |
| Total | <u>1,612,029,342</u> | <u>1,047,322,502</u> | <u>2,659,351,844</u> |
| Foreign items | | | |
| US dollars | 230,008,951 | 7,467,548,000 | 7,697,556,951 |
| Yen | 40,823,645 | - | 40,823,645 |
| Other currencies | 169,909,675 | 68,591,736 | 238,501,411 |
| Total foreign items | 440,742,271 | 7,536,139,736 | 7,976,882,007 |
| Add accrued interest receivable | - | 14,489,080 | 14,489,080 |
| Total | <u>440,742,271</u> | <u>7,550,628,816</u> | <u>7,991,371,087</u> |
| Total domestic and foreign items - net | <u>2,052,771,613</u> | <u>8,597,951,318</u> | <u>10,650,722,931</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| | At Call | Time | Total |
|---|----------------------|----------------------|----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 1,470,760,567 | - | 1,470,760,567 |
| Commercial banks | 5,750,928 | 956,101 | 6,707,029 |
| Other banks | 361,866 | - | 361,866 |
| Finance companies, securities companies and credit foncier companies | 22,425,835 | - | 22,425,835 |
| Other financial institutions | - | 52,500,000 | 52,500,000 |
| Total domestic items | <u>1,499,299,196</u> | <u>53,456,101</u> | <u>1,552,755,297</u> |
| Add accrued interest receivable | - | 17,024 | 17,024 |
| Less allowance for doubtful accounts | (8,358,066) | - | (8,358,066) |
| Total | <u>1,490,941,130</u> | <u>53,473,125</u> | <u>1,544,414,255</u> |
| Foreign items | | | |
| US dollars | 8,216,088 | 4,754,640,000 | 4,762,856,088 |
| Yen | 117,138,886 | - | 117,138,886 |
| Other currencies | 233,681,605 | - | 233,681,605 |
| Total foreign items | <u>359,036,579</u> | <u>4,754,640,000</u> | <u>5,113,676,579</u> |
| Add accrued interest receivable | - | 1,832,463 | 1,832,463 |
| Total | <u>359,036,579</u> | <u>4,756,472,463</u> | <u>5,115,509,042</u> |
| Total domestic and foreign items - net | <u>1,849,977,709</u> | <u>4,809,945,588</u> | <u>6,659,923,297</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

| | At Call | Time | Total |
|---|----------------------|----------------------|-----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 664,741,297 | - | 664,741,297 |
| Commercial banks | 889,420,959 | 1,022,238,975 | 1,911,659,934 |
| Other banks | 128,324 | - | 128,324 |
| Finance companies, securities companies and credit foncier companies | 700,000 | - | 700,000 |
| Other financial institutions | 2,636,227 | - | 2,636,227 |
| Total domestic items | <u>1,557,626,807</u> | <u>1,022,238,975</u> | <u>2,579,865,782</u> |
| Add accrued interest receivable | 16,328,734 | - | 16,328,734 |
| Less allowance for doubtful accounts | (61,554) | - | (61,554) |
| Total | <u>1,573,893,987</u> | <u>1,022,238,975</u> | <u>2,596,132,962</u> |
| Foreign items | | | |
| US dollars | 230,008,951 | 7,467,548,000 | 7,697,556,951 |
| Yen | 40,823,645 | - | 40,823,645 |
| Other currencies | 169,909,675 | 68,591,736 | 238,501,411 |
| Total foreign items | <u>440,742,271</u> | <u>7,536,139,736</u> | <u>7,976,882,007</u> |
| Add accrued interest receivable | - | 14,489,080 | 14,489,080 |
| Total | <u>440,742,271</u> | <u>7,550,628,816</u> | <u>7,991,371,087</u> |
| Total domestic and foreign items - net | <u>2,014,636,258</u> | <u>8,572,867,791</u> | <u>10,587,504,049</u> |

As at December 31, 2003 and 2002, assets of approximately Baht 9.00 million and Baht 0.70 million respectively in relation to interbank and money market items on both a consolidated basis and for the Bank only are loans for which interest is more than three months in arrears. In accordance with Bank of Thailand regulations, interest is not accrued on these loans.

As at December 31, 2002, interbank and money market items included Baht 553.72 million in respect of 2 percent 5-year Negotiable Certificates of Deposit (NCDs) issued by Krung Thai Bank PCL. These NCDs were originated by an exchange of loans to and investments in debt instruments issued by financial institutions that were forced to cease operations by order of the Ministry of Finance in accordance with a Notification dated December 8, 1997, and were redeemed in full in the first quarter of 2003.

For both the Consolidated and the Bank only financial statements as at December 31, 2003, the Bank and its subsidiaries have estimated that approximately 99% of the interbank and money market time placements have residual maturities within one year and 1% have maturities within one to five years. As at December 31, 2002, the Bank and its subsidiaries have estimated that approximately 100% of the interbank and money market time placements have residual maturities within one year.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

5. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

| Amounts in Baht | | |
|--|-------------------------|-------------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | |
| | As at December 31, 2003 | As at December 31, 2002 |
| Government bonds and Bank of Thailand bonds | 200,000,000 | 300,000,000 |
| Financial Institutions Development Fund bonds | 7,700,000,000 | - |
| Total | <u>7,900,000,000</u> | <u>300,000,000</u> |

6. INVESTMENTS

| Amounts in Baht | | | | |
|--|-------------------------|--------------------|-------------------------|----------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | | |
| | As at December 31, 2003 | | As at December 31, 2002 | |
| | Cost/Amortized | Fair | Cost/Amortized | Fair |
| | Cost | Value | Cost | Value |
| Current investments | | | | |
| Securities for trading | | | | |
| Government and state enterprises securities | 375,779,881 | 377,239,364 | 2,296,977,188 | 2,297,890,997 |
| Add unrealised gain on revaluation of securities | <u>1,459,483</u> | <u>-</u> | <u>913,809</u> | <u>-</u> |
| Total | <u>377,239,364</u> | <u>377,239,364</u> | <u>2,297,890,997</u> | <u>2,297,890,997</u> |
| Available-for-sale securities | | | | |
| Government and state enterprises securities | 279,415,471 | 280,374,917 | 2,178,281,383 | 2,185,965,051 |
| Private enterprises debt securities | 44,060,157 | 44,050,752 | - | - |
| Marketable equity domestic securities | - | - | 6,867,600 | 4,593,210 |
| Total | <u>323,475,628</u> | <u>324,425,669</u> | <u>2,185,148,983</u> | <u>2,190,558,261</u> |
| Add unrealised gain on revaluation of securities | <u>950,041</u> | <u>-</u> | <u>5,409,278</u> | <u>-</u> |
| Total | <u>324,425,669</u> | <u>324,425,669</u> | <u>2,190,558,261</u> | <u>2,190,558,261</u> |
| Held-to-maturity debt instruments | | | | |
| Government and state enterprises securities | 5,595,065,342 | | 950,248,248 | |
| Private enterprises debt securities | <u>308,540,000</u> | | <u>8,540,000</u> | |
| Total | 5,903,605,342 | | 958,788,248 | |
| Less allowance for impairment of securities | <u>(8,540,000)</u> | | <u>(42,140,000)</u> | |
| Total | <u>5,895,065,342</u> | | <u>916,648,248</u> | |
| Total current investments - net | <u>6,596,730,375</u> | | <u>5,405,097,506</u> | |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | Amounts in Baht | | | |
|--|-----------------------------------|----------------------|-------------------------|----------------------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
| | As at December 31, 2003 | | As at December 31, 2002 | |
| | Cost/Amortized Cost | Fair Value | Cost/Amortized Cost | Fair Value |
| Long - term investments | | | | |
| Available-for-sale securities | | | | |
| Government and state enterprises securities | 233,159,041 | 237,948,519 | 159,470,573 | 168,937,391 |
| Private enterprises debt securities | 3,272,424,107 | 3,412,846,532 | 146,548,102 | - |
| Marketable equity domestic securities | <u>1,331,126,582</u> | <u>1,690,638,050</u> | <u>2,679,401,034</u> | <u>2,260,582,550</u> |
| Total | 4,836,709,730 | 5,341,433,101 | 2,985,419,709 | 2,429,519,941 |
| Add(less) unrealised gain (loss) on revaluation of securities | 655,461,944 | - | (404,211,293) | - |
| Less allowance for impairment of securities | <u>(150,896,502)</u> | - | <u>(157,930,064)</u> | - |
| Total | <u>5,341,275,172</u> | <u>5,341,433,101</u> | <u>2,423,278,352</u> | <u>2,429,519,941</u> |
| Held-to-maturity debt instruments | | | | |
| Government and state enterprises securities | 11,606,361,341 | | 11,510,788,612 | |
| Private enterprises debt securities | <u>1,998,245,046</u> | | <u>2,666,463,830</u> | |
| Total | 13,604,606,387 | | 14,177,252,442 | |
| Less allowance for impairment of securities | <u>(56,091,849)</u> | | <u>(82,726,192)</u> | |
| Total | <u>13,548,514,538</u> | | <u>14,094,526,250</u> | |
| General investment | | | | |
| Non-marketable equity domestic securities | 222,858,056 | | 204,960,500 | |
| Non-marketable equity foreign securities | <u>10,525,572</u> | | <u>11,185,978</u> | |
| Total | 233,383,628 | | 216,146,478 | |
| Less allowance for impairment of securities | <u>(134,013,525)</u> | | <u>(110,708,494)</u> | |
| Total | <u>99,370,103</u> | | <u>105,437,984</u> | |
| Total long - term investments - net | <u>18,989,159,813</u> | | <u>16,623,242,586</u> | |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

| | As at December 31, 2003 | | As at December 31, 2002 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Cost/Amortized | Fair | Cost/Amortized | Fair |
| | Cost | Value | Cost | Value |
| Long - term investments | | | | |
| Available-for-sale securities | | | | |
| Government and state enterprises securities | 233,159,041 | 237,948,519 | 159,470,573 | 168,937,391 |
| Private enterprises debt securities | 3,254,094,841 | 3,394,443,593 | 146,548,102 | - |
| Marketable equity domestic securities | 1,313,596,381 | 1,673,530,340 | 2,662,040,514 | 2,249,147,830 |
| Total | 4,800,850,263 | 5,305,922,452 | 2,968,059,189 | 2,418,085,221 |
| Add(less) unrealised gain (loss) on revaluation of securities | 655,810,762 | - | (398,285,493) | - |
| Less allowance for impairment of securities | (150,896,502) | - | (157,930,064) | - |
| Total | 5,305,764,523 | 5,305,922,452 | 2,411,843,632 | 2,418,085,221 |
| Held-to-maturity debt instruments | | | | |
| Government and state enterprises securities | 11,606,361,341 | | 11,510,788,612 | |
| Private enterprises debt securities | 1,998,245,046 | | 2,666,463,830 | |
| Total | 13,604,606,387 | | 14,177,252,442 | |
| Less allowance for impairment of securities | (56,091,849) | | (82,726,192) | |
| Total | 13,548,514,538 | | 14,094,526,250 | |
| General investment | | | | |
| Non-marketable equity domestic securities | 207,229,562 | | 189,332,006 | |
| Non-marketable equity foreign securities | 10,525,572 | | 11,185,978 | |
| Total | 217,755,134 | | 200,517,984 | |
| Less allowance for impairment of securities | (134,010,031) | | (110,705,000) | |
| Total | 83,745,103 | | 89,812,984 | |
| Total long - term investments - net | 18,938,024,164 | | 16,596,182,866 | |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Within the above investments are debt instruments, excluding equity investments and trading equity debt instruments, with remaining maturities as follows:

| Amounts in Baht | | | | |
|--|----------------------|----------------------|----------------------|-----------------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | |
| As at December 31, 2003 | | | | |
| Remaining Maturity | | | | |
| | Within 1 year | 1 - 5 years | More than 5 years | Total |
| Available-for-sale securities | | | | |
| Government and state enterprises securities | 279,415,471 | 190,112,258 | 43,046,783 | 512,574,512 |
| Private enterprises debt securities | 159,956,659 | 3,151,516,397 | 5,011,208 | 3,316,484,264 |
| Total | <u>439,372,130</u> | <u>3,341,628,655</u> | <u>48,057,991</u> | <u>3,829,058,776</u> |
| Add unrealised gain on revaluation of securities | 950,041 | 259,989,007 | 961,470 | 261,900,518 |
| Less allowance for impairment of securities | (115,896,502) | - | - | (115,896,502) |
| Total | <u>324,425,669</u> | <u>3,601,617,662</u> | <u>49,019,461</u> | <u>3,975,062,792</u> |
| Held-to-maturity debt instruments | | | | |
| Government and state enterprises securities | 5,595,065,342 | 2,700,361,462 | 8,905,999,879 | 17,201,426,683 |
| Private enterprises debt securities | 308,540,000 | 1,998,245,045 | 1 | 2,306,785,046 |
| Total | <u>5,903,605,342</u> | <u>4,698,606,507</u> | <u>8,905,999,880</u> | <u>19,508,211,729</u> |
| Less allowance for impairment of securities | (8,540,000) | (56,091,849) | - | (64,631,849) |
| Total | <u>5,895,065,342</u> | <u>4,642,514,658</u> | <u>8,905,999,880</u> | <u>19,443,579,880</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

Remaining Maturity

| | Within 1 year | 1 - 5 years | More than 5 years | Total |
|--|---------------|---------------|-------------------|----------------|
| Available-for-sale securities | | | | |
| Government and state enterprises securities | 279,415,471 | 190,112,258 | 43,046,783 | 512,574,512 |
| Private enterprises debt securities | 159,956,659 | 3,133,187,131 | 5,011,208 | 3,298,154,998 |
| Total | 439,372,130 | 3,323,299,389 | 48,057,991 | 3,810,729,510 |
| Add unrealised gain on revaluation of securities | 950,041 | 259,915,334 | 961,470 | 261,826,845 |
| Less allowance for impairment of securities | (115,896,502) | - | - | (115,896,502) |
| Total | 324,425,669 | 3,583,214,723 | 49,019,461 | 3,956,659,853 |
| Held-to-maturity debt instruments | | | | |
| Government and state enterprises securities | 5,595,065,342 | 2,700,361,462 | 8,905,999,879 | 17,201,426,683 |
| Private enterprises debt securities | 308,540,000 | 1,998,245,045 | 1 | 2,306,785,046 |
| Total | 5,903,605,342 | 4,698,606,507 | 8,905,999,880 | 19,508,211,729 |
| Less allowance for impairment of securities | (8,540,000) | (56,091,849) | - | (64,631,849) |
| Total | 5,895,065,342 | 4,642,514,658 | 8,905,999,880 | 19,443,579,880 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| Amounts in Baht | | | | |
|---|----------------------|----------------------|-----------------------|-----------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | | |
| As at December 31, 2002 | | | | |
| Remaining Maturity | | | | |
| | Within 1 year | 1 - 5 years | More than 5 years | Total |
| Available-for-sale securities | | | | |
| Government and state enterprises securities | 2,178,281,383 | 135,303,386 | 24,167,187 | 2,337,751,956 |
| Private enterprises debt securities | 146,548,102 | - | - | 146,548,102 |
| Total | <u>2,324,829,485</u> | <u>135,303,386</u> | <u>24,167,187</u> | <u>2,484,300,058</u> |
| Add (less) unrealised gain (loss) on revaluation of securities | 7,683,668 | 5,715,609 | 3,751,208 | 17,150,485 |
| Less allowance for impairment of securities | (152,789,691) | - | - | (152,789,691) |
| Total | <u>2,179,723,462</u> | <u>141,018,995</u> | <u>27,918,395</u> | <u>2,348,660,852</u> |
| Held-to-maturity debt instruments | | | | |
| Government and state enterprises securities | 950,248,248 | 332,960,908 | 11,177,827,704 | 12,461,036,860 |
| Private enterprises debt securities | 8,540,000 | 2,666,463,830 | - | 2,675,003,830 |
| Total | <u>958,788,248</u> | <u>2,999,424,738</u> | <u>11,177,827,704</u> | <u>15,136,040,690</u> |
| Less allowance for impairment of securities | (42,140,000) | (82,726,192) | - | (124,866,192) |
| Total | <u>916,648,248</u> | <u>2,916,698,546</u> | <u>11,177,827,704</u> | <u>15,011,174,498</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Unrealised gain (loss) on investment in securities - net

Amounts in Baht

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

| | As at December 31, 2003 | As at December 31, 2002 |
|--|---------------------------|-----------------------------|
| Unrealised gain on revaluation of investment in securities | | |
| Debt securities | 302,312,689 | 178,195,485 |
| Equity securities | <u>442,991,236</u> | <u>94,788,933</u> |
| Total | <u><u>745,303,925</u></u> | <u><u>272,984,418</u></u> |
| Unrealised loss on revaluation of investment in securities | | |
| Debt securities | 40,485,845 | 46,959,125 |
| Equity securities | <u>37,562,167</u> | <u>598,410,482</u> |
| Total | <u><u>78,048,012</u></u> | <u><u>645,369,607</u></u> |
| Unrealised gain (loss) on revaluation of investment in securities - net | | |
| Debt securities | 261,826,844 | 131,236,360 |
| Equity securities | <u>405,429,069</u> | <u>(503,621,549)</u> |
| Total | <u><u>667,255,913</u></u> | <u><u>(372,385,189)</u></u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

The Bank had investments in companies with problems in respect of financial position and results of operations, as follows:

In Million Baht

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

| As at December 31, 2003 | | | As at December 31, 2002 | | |
|-------------------------|------------|--|-------------------------|------------|---|
| Cost | Fair Value | Unrealised (gain)/loss on revaluation/impairment of securities | Cost | Fair Value | Impairment loss on revaluation/impairment of securities |

| | | | | | | |
|--|---------------|---------------|--------------|---------------|--------------|---------------|
| Financial institutions controlled by order of BOT to decrease or increase capital | | | | | | |
| Debt instruments | 33.97 | - | 33.97 | 43.06 | - | 43.60 |
| Companies which are under SET delisting criteria | | | | | | |
| Ordinary shares | - | - | - | 0.19 | - | 0.19 |
| Companies which have certain problems in repayment | | | | | | |
| Ordinary shares | 182.15 | 329.37 | (147.22) | 142.03 | 78.32 | 63.71 |
| Debt instruments | 154.28 | - | 141.60 | 174.90 | - | 179.68 |
| Investment in unlisted companies with financial position and operations that are the same as companies which are under SET delisting criteria | | | | | | |
| Ordinary shares | 4.08 | - | 4.08 | 4.00 | - | 4.00 |
| | <u>374.48</u> | <u>329.37</u> | <u>32.43</u> | <u>364.18</u> | <u>78.32</u> | <u>291.18</u> |

The Bank does not have adequate information in its possession to disclose its investments in companies which have going concern problems identified by their auditors, except for two subsidiaries - Asia Leasehold Co., Ltd. (Registration of dissolution on December 30, 1999) and Asia Property Co., Ltd. (Registration of dissolution on April 18, 2003). As at December 31, 2003, the excess of the Bank's equity interest in losses of Baht 71 million over the cost of the Bank's investment of Baht 110 million is recorded under the heading "other liabilities" in the balance sheet.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Investments in companies in which the Bank and its subsidiaries hold more than 10% of the paid-up capital in each company, excluding investments in subsidiaries and associated companies, classified by industry, are as follows :

Amounts in Baht

| | CONSOLIDATED | | BANK ONLY | |
|---------------------|----------------------|----------------------|----------------------|----------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Manufacturing | 42,000,001 | 1 | 42,000,001 | 1 |
| Banking and Finance | 3,392,216,250 | 2,217,628,750 | 3,392,216,250 | 2,217,628,750 |
| Real Estate | 60,000,000 | 60,000,000 | 60,000,000 | 60,000,000 |
| Services | 33,422,031 | 13,232,001 | 33,422,031 | 4,232,001 |
| Total | <u>3,527,638,282</u> | <u>2,290,860,752</u> | <u>3,527,638,282</u> | <u>2,281,860,752</u> |

Investments in subsidiaries and associated companies

Amounts in Baht

| Investment | CONSOLIDATED FINANCIAL STATEMENTS | | | | BANK ONLY FINANCIAL STATEMENTS | | | |
|--------------------------|-----------------------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|
| | As at | | As at | | As at | | As at | |
| | December 31, 2003 | | December 31, 2002 | | December 31, 2003 | | December 31, 2002 | |
| | Cost | Book | Cost | Book | Cost | Book | Cost | Book |
| | Method | Value | Method | Value | Method | Value | Method | Value |
| Subsidiaries | - | - | - | - | 566,078,954 | 461,311,569 | 1,046,078,954 | 314,018,354 |
| Associated companies | 121,117,516 | 165,837,506 | 121,117,516 | 147,842,296 | 121,117,516 | 165,837,506 | 121,117,516 | 147,842,296 |
| Total | 121,117,516 | 165,837,506 | 121,117,516 | 147,842,296 | 687,196,470 | 627,149,075 | 1,167,196,470 | 461,860,650 |
| Allowance for impairment | - | - | - | - | (240,999,230) | - | (240,999,230) | - |
| Total | <u>121,117,516</u> | <u>165,837,506</u> | <u>121,117,516</u> | <u>147,842,296</u> | <u>446,197,240</u> | <u>627,149,075</u> | <u>926,197,240</u> | <u>461,860,650</u> |

For the Bank only financial statements as at December 31, 2003 and 2002, the excess of the Bank's equity interest in losses of Baht 71 million over the cost of the Bank's investment are recorded under the heading "other liabilities" in the balance sheet.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

7. INVESTMENT IN SPURVEC LIMITED

Summary of the transaction

On 11 November 2003, Spurvec Limited ("Spurvec") was incorporated in the Cayman Islands with its share capital entirely owned by a charitable trust. Spurvec was created as a Special Purpose Vehicle and its activities are substantially limited.

On 15 December 2003, Bank of Asia Cayman Islands Branch ("BOACIB") entered into a term loan agreement with ABN AMRO London Branch ("ABNLB") for a sum of USD 43 million (equivalent to Baht 1.7 billion). Both BOACIB and ABNLB hold options that allow either to cancel the BOACIB term loan in exchange for a transfer of the BOACIB holding in Spurvec shares from BOACIB to ABNLB. BOACIB has expressed an active intent to exercise this option during the life of the term loan. The rate of interest for the term loan is 11.8% per annum which has been priced to take into account market rates including the reduced credit risk because of BOACIB's option to cancel the term loan in exchange for its shares in Spurvec.

BOACIB drew down on this loan on 17 December 2003 and used the proceeds to purchase 430 non-voting, participating, redeemable shares of USD 100,000 in Spurvec, for USD 43 million (equivalent to Baht 1.7 billion), which Spurvec issued to BOACIB.

On 17 December 2003, Spurvec used the proceeds generated from the share issue to purchase a 10 year Credit Linked Note ("CLN").

There is no credit risk associated with this transaction because it is fully reversible through the exercise of the above-mentioned option.

On 24 December 2003, Spurvec received an interest payment relating to the CLN of Baht 1.2 billion. It used the profit generated by this interest received to pay a dividend of Baht 1.2 billion to BOACIB. On 24 December 2003, BOACIB paid a sum of Baht 1.2 billion to ABNLB in respect of the term loan of which the full amount was a repayment of principal.

This transaction potentially enables the Bank to renew part of the carried forward tax loss which was due to expire in 2003 and makes it available for offset against future taxable profits for five years following the year in which the option is exercised.

Accounting treatment

The accounting treatment for the transaction was as follows:

Statement of income

The dividends of Baht 1.2 billion received were recorded as dividend income in the income statement. As at 31 December 2003, had the Bank or BOACIB exercised the option to cancel the term loan in exchange for its shares in Spurvec, the Bank would have incurred a loss of Baht 1.2 billion on its investment. A charge of Baht 1.2 billion was made to the statement of income in respect of this unrealised loss on the option. In order to record the substance of the transaction, this charge was netted off against the dividends received. The resulting net position in dividends received in relation to this transaction is Baht Nil. Interest accrued of Baht 5 million was recorded as an interest charge in the income statement with a corresponding liability in the balance sheet.

Balance sheet

At 31 December 2003, the investment was recorded at Baht 515 million in general investments - non-marketable equity foreign securities. This represents the initial investment of Baht 1.7 billion less Baht 1.2 billion for impairment in respect of the unrealised loss on the option.

As the Bank has a legally enforceable right to cancel the term loan in exchange for its investment in Spurvec, and it intends to exercise this right, the outstanding principal of the term loan of Baht 515 million was offset in the statutory records against the investment in accordance with Thai Accounting Standard 48.

The resulting net balance sheet position in relation to the investment is Baht Nil.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

8. LOANS AND ACCRUED INTEREST RECEIVABLE

Classified by type of credit

| | Amounts in Baht | | | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | CONSOLIDATED | | BANK ONLY | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Overdrafts | 16,579,135,825 | 15,853,763,141 | 16,579,135,825 | 15,855,831,037 |
| Loans | 57,556,910,054 | 57,588,442,656 | 58,305,625,902 | 58,463,112,088 |
| Trade bills | 40,546,692,141 | 35,213,747,089 | 40,546,692,141 | 35,213,747,089 |
| Hire-purchase receivables | 152,695,610 | 18,931,522 | - | - |
| Finance lease receivables | 1,575,715,669 | 757,104,255 | - | - |
| Others | 5,721,221,436 | 4,871,749,394 | 5,721,221,436 | 4,871,749,394 |
| Total | <u>122,132,370,735</u> | <u>114,303,738,057</u> | <u>121,152,675,304</u> | <u>114,404,439,608</u> |
| Add accrued interest receivable | 1,259,243,326 | 1,048,836,091 | 1,254,395,913 | 1,044,877,644 |
| Less allowance for doubtful accounts | (15,152,241,790) | (8,613,715,518) | (15,073,454,210) | (8,427,900,118) |
| Less revaluation allowance for debt restructuring | <u>(279,923,454)</u> | <u>(330,895,944)</u> | <u>(279,923,454)</u> | <u>(330,895,944)</u> |
| Total | <u><u>107,959,448,817</u></u> | <u><u>106,407,962,686</u></u> | <u><u>107,053,693,553</u></u> | <u><u>106,690,521,190</u></u> |

Classified by the remaining period of the credit agreement

| | Amounts in Baht | | | |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | CONSOLIDATED | | BANK ONLY | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Under 1 year | 67,421,316,606 | 61,319,867,666 | 65,734,490,560 | 61,844,118,812 |
| Over 1 year | 54,711,054,129 | 52,983,870,391 | 55,418,184,744 | 52,560,320,796 |
| Total | <u>122,132,370,735</u> | <u>114,303,738,057</u> | <u>121,152,675,304</u> | <u>114,404,439,608</u> |
| Add accrued interest receivable | 1,259,243,326 | 1,048,836,091 | 1,254,395,913 | 1,044,877,644 |
| Total | <u><u>123,391,614,061</u></u> | <u><u>115,352,574,148</u></u> | <u><u>122,407,071,217</u></u> | <u><u>115,449,317,252</u></u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Classified by the currencies and residence of debtors

| | Amounts in Baht | | | |
|---------------------------------|----------------------|-------------------|----------------------|-------------------|
| | CONSOLIDATED | | BANK ONLY | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Domestic | | | | |
| Baht | 117,627,326,520 | 109,639,928,085 | 116,647,631,089 | 109,740,629,636 |
| US Dollars | 3,804,015,500 | 4,219,005,464 | 3,804,015,500 | 4,219,005,464 |
| Other Currencies | 701,028,715 | 444,804,508 | 701,028,715 | 444,804,508 |
| Total | 122,132,370,735 | 114,303,738,057 | 121,152,675,304 | 114,404,439,608 |
| Add accrued interest receivable | 1,259,243,326 | 1,048,836,091 | 1,254,395,913 | 1,044,877,644 |
| Total | 123,391,614,061 | 115,352,574,148 | 122,407,071,217 | 115,449,317,252 |

Classified by type of business and by grade

| | Amounts in Baht | | | | | |
|--|--------------------------------|--------------------|------------------------|---------------|---------------------|-----------------|
| | BANK ONLY FINANCIAL STATEMENTS | | | | | |
| | As at December 31, 2003 | | | | | |
| | Pass | Special Mention | Substandard of loss | Doubtful | Doubtful of loss | Total |
| Agriculture and mining | 1,186,344,564 | 53,495,180 | 54,447,697 | 59,585,743 | 1,494,760,575 | 2,848,633,759 |
| Manufacturing and trading | 42,933,171,358 | 1,163,853,028 | 393,970,804 | 2,072,427,347 | 12,703,079,822 | 59,266,502,359 |
| Real estate and construction | 3,580,160,950 | 32,318,958 | 88,939,590 | 331,609,228 | 3,293,757,826 | 7,326,786,552 |
| Public utilities and services | 11,812,526,168 | 324,024,765 | 250,394,416 | 78,924,489 | 1,345,037,553 | 13,810,907,391 |
| Housing loan | 18,725,977,551 | 167,798,993 | 55,654,356 | 25,186,213 | 519,997,144 | 19,494,614,257 |
| Others | 18,207,444,054 | 153,044,816 | 110,324,832 | 26,960,321 | 1,161,852,876 | 19,659,626,899 |
| Total loans and accrued interest receivable | 96,445,624,645 | 1,894,535,740 | 953,731,695 | 2,594,693,341 | 20,518,485,796 | 122,407,071,217 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| Amounts in Baht | | | | | | |
|--|-----------------------|----------------------|------------------------|----------------------|-----------------------|------------------------|
| BANK ONLY FINANCIAL STATEMENTS | | | | | | |
| As at December 31, 2002 | | | | | | |
| | Pass | Special Mention | Substandard of loss | Doubtful | Doubtful of loss | Total |
| Agriculture and mining | 1,474,272,910 | 32,382,813 | 170,244,552 | 29,041,539 | 1,295,616,170 | 3,001,557,984 |
| Manufacturing and trading | 46,213,852,823 | 795,371,802 | 353,136,254 | 2,286,619,076 | 8,272,529,213 | 57,921,509,168 |
| Real estate and construction | 2,555,713,878 | 671,596,105 | 371,889,119 | 96,552,629 | 2,716,577,076 | 6,412,328,807 |
| Public utilities and services | 12,537,548,832 | 827,285,411 | 62,705,776 | 103,371,006 | 2,315,840,846 | 15,846,751,871 |
| Housing loan | 12,964,477,497 | 172,485,890 | 64,531,217 | 77,769,080 | 808,484,766 | 14,087,748,450 |
| Others | 16,544,771,813 | 552,612,766 | 84,969,467 | 43,134,278 | 953,932,648 | 18,179,420,972 |
| Total loans and accrued interest receivable | <u>92,290,637,753</u> | <u>3,051,734,787</u> | <u>1,107,476,385</u> | <u>2,636,487,608</u> | <u>16,362,980,719</u> | <u>115,449,317,252</u> |

The above loans and accrued interest receivables include intercompany loans which have been eliminated for consolidation purposes.

Classified in accordance with the Notification of the Bank of Thailand

| Amounts in Baht | | | | | | |
|--|--|--------------------|------------------------|---|---------------------------------|-----------------------|
| BANK ONLY FINANCIAL STATEMENTS | | | | | | |
| As at December 31, 2003 | | | | | | |
| | Loans and Accrued Interest Receivable | Other Claims | Total | Outstanding Balance (After Deduction of Collateral Value) | % Set by Bank of Thailand | Provision |
| Pass | 96,445,624,645 | 11,912,047 | 96,457,536,692 | 40,305,367,976 | 1 | 403,053,680 |
| Special mention | 1,894,535,740 | 2,010,675 | 1,896,546,415 | 600,604,151 | 2 | 12,012,083 |
| Substandard | 953,731,695 | 1,557,020 | 955,288,715 | 442,709,868 | 20 | 88,541,973 |
| Doubtful | 2,594,693,341 | 1,155,876 | 2,595,849,217 | 1,158,293,772 | 50 | 579,146,886 |
| Doubtful of loss | 20,518,485,796 | 144,853,870 | 20,663,339,666 | 10,266,865,461 | 100 | 10,266,865,461 |
| Additional provision over and above the minimum requirement of the BOT | - | - | - | - | | 3,723,834,127 |
| Total | <u>122,407,071,217</u> | <u>161,489,488</u> | <u>122,568,560,705</u> | <u>52,773,841,228</u> | | <u>15,073,454,210</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

In June 2003, the Bank was subject to a qualitative review of its loan portfolio by the Bank of Thailand. If this review approach was applied to the December 31, 2003 position, it is determined that part of the provision classified as "provision over and above the minimum requirement of the BOT" which has a value of Baht 2,840 million as at December 31, 2003, should be reclassified as provision within the minimum requirement of the Bank of Thailand. If this Baht 2,840 million were to be reclassified, the "provision over and above the minimum requirement of the BOT" would fall to Baht 884 million. As no formal notification in relation to this issue was received from the Bank of Thailand, no reclassification was accordingly made.

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

| | Loans and Accrued Interest Receivable | Other Claims | Total | Outstanding Balance (After Deduction of Collateral Value) | % Set by Bank of Thailand | Provision |
|--|--|-----------------|-----------------|---|---------------------------------|---------------|
| Pass | 92,290,643,943 | 8,253,648 | 92,298,897,591 | 41,171,483,461 | 1 | 411,714,835 |
| Special mention | 3,051,732,425 | 1,076,014 | 3,052,808,439 | 642,841,127 | 2 | 12,856,823 |
| Substandard | 1,107,475,408 | 2,100,524 | 1,109,575,932 | 514,678,250 | 20 | 102,935,650 |
| Doubtful | 2,636,487,408 | 4,880,731 | 2,641,368,139 | 1,635,481,411 | 50 | 817,740,705 |
| Doubtful of loss | 16,362,978,068 | 88,986,203 | 16,451,964,271 | 3,040,429,404 | 100 | 3,040,429,404 |
| Additional provision over and above the minimum requirement of the BOT | - | - | - | - | | 4,042,222,701 |
| Total | 115,449,317,252 | 105,297,120 | 115,554,614,372 | 47,004,913,653 | | 8,427,900,118 |

As at December 31, 2003 and 2002, the amounts of deferred interest attributable to bills purchased at a discount, hire purchase contracts and finance lease receivables, which have been set off against amounts recorded as receivables in the balance sheets of the Bank and one of its subsidiaries, are Baht 191,541,325 and Baht 95,166,831 and for the Bank only are Baht 22,319,095 and Baht 21,575,329, respectively.

As at December 31, 2003 and 2002, approximately Baht 23,012 million and Baht 20,021 million respectively of loans made by the Bank are non-accrual loans based on the Notification of the Bank of Thailand.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

The Bank had loans and accrued interest receivable due from companies which have certain problems in their financial position and results of operations against which an allowance for doubtful accounts has been made as follows:

| | In Million Baht | | | |
|---|-------------------------|------------------------|------------|------------------------------------|
| | As at December 31, 2003 | | | |
| | Number of Companies | Outstanding Balance | Collateral | Allowance for Doubtful Accounts |
| Companies which are under SET delisting criteria | 2 | 268 | 201 | 5 |
| Companies which have a problem in repayment of debt | 386 | 17,230 | 7,793 | 11,504 |

| | In Million Baht | | | |
|---|-------------------------|------------------------|------------|------------------------------------|
| | As at December 31, 2002 | | | |
| | Number of Companies | Outstanding Balance | Collateral | Allowance for Doubtful Accounts |
| Companies which are under SET delisting criteria | 3 | 309 | 289 | - |
| Companies which have a problem in repayment of debt | 417 | 14,180 | 9,760 | 8,494 |

As at December 31, 2003 and 2002 the allowance for doubtful accounts was in excess of the outstanding balance less collateral in the sum of Baht 2,067 million and Baht 4,074 million respectively. The excess is to take into account management's perception of impairment of collateral.

The Bank does not have adequate information in its possession to disclose loans and accrued interest receivable from the companies which have going concern problems identified by their auditors, and the non-listed companies for which the financial position and results of operations are the same as the companies which are under the Stock Exchange of Thailand (SET) delisting criteria as of December 31, 2003 and 2002.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Debt restructuring

During the year ended December 31, 2003, the Bank entered into agreements with 1,159 of its customers to restructure loans and accrued interest receivable amounting to Baht 6,876 million in aggregate. Details of the amounts restructured which have given rise to losses on restructuring in accordance with TAS No.34 and the aggregate losses arising on restructuring are set out in the table below:

| Type of restructuring | Number of customers subject to restructuring | Recorded amounts before restructuring | Amounts in Baht | | | Recorded amounts as at December 31, 2003 |
|--|--|---------------------------------------|--------------------------------|---|-----------------------|--|
| | | | Type of assets/equity acquired | Fair value of assets/equity acquired | Loss on restructuring | |
| Transfer of assets or debt for equity conversion | 67 | 6,415,729,111 | Investment Land Cash | 463,165,471 1,385,724,878 2,321,769,180 | 2,245,069,582 | - |
| Modification of terms | 2 | 45,576,150 | - | - | 4,404,692 | 43,371,375 |
| Transfer of assets and modification of terms | 54 | 467,368,843 | Investment Land Cash | 2,667,410 51,897,747 33,874,365 | 177,744,062 | 202,960,535 |
| Total | 123 | 6,928,674,104 | | 4,259,099,051 | 2,427,218,336 | 246,331,910 |

During the period, the Bank recorded the losses on restructuring in relation to one particular a customer as utilization of allowance for doubtful accounts rather than as a charge in the statement of income for the year ended December 31, 2003 since the Bank had fully provided for this loan.

As at December 31, 2003, the recorded net investment by the Bank in all loans subject to troubled debt restructuring, after deducting the outstanding valuation allowance at that date, amounted to Baht 5,207,995,602.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

During the year ended December 31, 2002, the Bank entered into agreements with 1,048 of its customers to restructure loans and accrued interest receivable amounting to Baht 9,648 million in aggregate. Details of the amounts restructured which have given rise to losses on restructuring in accordance with TAS No.34 and the aggregate losses arising on restructuring are set out in the table below:

| Type of restructuring | Number of customers subject to restructuring | Recorded amounts before restructuring | Amounts in Baht | | Loss on restructuring | Recorded amounts as at December 31, 2002 |
|--|--|---------------------------------------|---------------------------------|--------------------------------------|-----------------------|--|
| | | | Type of assets/ equity acquired | Fair value of assets/equity acquired | | |
| Transfer of assets or debt for equity conversion | 12 | 249,389,516 | { Land | 9,975,106 | 43,234,044 | - |
| | | | { Cash | 196,180,366 | | |
| Modification of terms | 4 | 732,865,788 | { - | - | 192,280,938 | 807,108,442 |
| Transfer of assets and modification of terms | 2 | 72,802,611 | { Investment | 1,618,155 | 12,042,537 | 59,166,917 |
| | | | { Cash | 250,324 | | |
| Total | 18 | 1,055,057,915 | | 208,023,951 | 247,557,519 | 866,275,359 |

In 2002, the Bank recorded losses on restructuring in relation to customers amounting to Baht 71,099,959 as utilization of allowance for doubtful accounts rather than as a charge in the statement of income for the year ended December 31, 2002 since the Bank had fully provided for this loan.

As at December 31, 2002, the recorded net investment by the Bank in all loans subject to troubled debt restructuring, after deducting the outstanding valuation allowance at that date, amounted to Baht 7,587,118,333.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Transfer of Assets to the Thai Asset Management Corporation (TAMC)

On October 12, 2001, the Bank entered into an agreement with the Thai Asset Management Corporation (TAMC) to transfer non-performing loans in accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544. Under the agreement, the Bank receives a ten-year non-transferable promissory note availed by the Financial Institutions Development Fund, which will bear interest at a rate based on the quarterly average deposit rate of the Thai Commercial Banks payable annually on the last working day of the year. The face value of the promissory note will be determined based on the lower of (a) the collateral value or (b) the net book value of the loans including three months accrued interest receivable as determined by the TAMC.

In accordance with the Emergency Decree on the Thai Asset Management Corporation B.E. 2544, the TAMC and the Bank will jointly be responsible for any profits or losses arising from managing the impaired assets in accordance with the conditions specified in the agreement at the end of the fifth year and at the end of the tenth year commencing July 1, 2001. The calculation of such profits or losses shall take into consideration the cost of transfer and all operating expenses of the TAMC, including interest on the promissory note. In the event that the TAMC incurs losses on the impaired assets transferred to it by the Bank, the Bank will be responsible for the first portion of losses, not exceeding 20% of the transfer price. The second portion of losses, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. The remaining losses will be absorbed by the TAMC. In the event that the TAMC makes profits on the impaired assets transferred to it by the Bank, the first portion of profits, not exceeding 20% of the transfer price, will be equally shared between the TAMC and the Bank. Should there be any profits remaining, the Bank is entitled to the remaining profits up to an amount not exceeding the sum of the book value of the assets transferred less the transfer price and the Bank's share of the first portion of the profits.

For the year ended December 31, 2003, the Bank transferred 3 accounts of non-performing loans to the TAMC, with a gross book value as of their transfer dates of Baht 138 million and an estimated total transfer price of Baht 137 million and for the year ended December 31, 2002, the Bank transferred 4 accounts to the TAMC, with a gross book value as of their transfer dates of Baht 73 million and estimated total transfer price of Baht 68 million.

As at December 31, 2003 the Bank had transferred non-performing loans to the TAMC, with a gross book value as of their transfer dates totaling Baht 10,418 million, and estimated total transfer price totaling Baht 6,399 million, in respect of which the Bank has received promissory notes from the TAMC amounting to Baht 6,399 million.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| | Pass | Special Mention | Substandard | Doubtful | Doubtful of Loss | Additional Provision | Total |
|---|--------------------|--------------------|-------------------|--------------------|-----------------------|-------------------------|-----------------------|
| Beginning balance | 411,714,834 | 12,856,823 | 102,935,650 | 817,740,705 | 3,040,429,405 | 4,042,222,701 | 8,427,900,118 |
| Doubtful accounts | (8,661,154) | (844,740) | (14,393,677) | (238,593,819) | 645,881,964 | (318,388,574) | 65,000,000 |
| Write-back of allowance for doubtful accounts net of reversal for the write off | - | - | - | - | 9,885,860,833 | - | 9,885,860,833 |
| Reversal due to debt restructuring | - | - | - | - | (2,427,218,336) | - | (2,427,218,336) |
| Reversal due to loan to interbank and money market | - | - | - | - | (8,296,513) | - | (8,296,513) |
| Reversal due to allowance for reevaluation of other assets | - | - | - | - | (97,965,421) | - | (97,965,421) |
| Bad debts written off | - | - | - | - | (765,998,477) | - | (765,998,477) |
| Others | - | - | - | - | (5,827,994) | - | (5,827,994) |
| Ending balance | <u>403,053,680</u> | <u>12,012,083</u> | <u>88,541,973</u> | <u>579,146,886</u> | <u>10,266,865,461</u> | <u>3,723,834,127</u> | <u>15,073,454,210</u> |

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

| | Pass | Special Mention | Substandard | Doubtful | Doubtful of Loss | Additional Provision | Total |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|----------------------|-------------------------|----------------------|
| Beginning balance | 348,695,435 | 10,625,999 | 286,135,841 | 822,787,291 | - | 2,236,260,733 | 3,704,505,299 |
| Doubtful accounts | 63,019,399 | 2,230,824 | (183,200,191) | (5,046,586) | 3,179,814,526 | 1,805,961,968 | 4,862,779,940 |
| Reversal due to debt restructuring | - | - | - | - | (21,148,807) | - | (21,148,807) |
| Bad debts written off | - | - | - | - | (120,148,168) | - | (120,148,168) |
| Others | - | - | - | - | 1,911,854 | - | 1,911,854 |
| Ending balance | <u>411,714,834</u> | <u>12,856,823</u> | <u>102,935,650</u> | <u>817,740,705</u> | <u>3,040,429,405</u> | <u>4,042,222,701</u> | <u>8,427,900,118</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

The Bank of Thailand issued an announcement dated March 4, 2003 regarding "Worthless or Non-recoverable Assets and Doubtful Assets Which may be Worthless or Non-recoverable of Commercial Banks". The announcement specifies that if the Bank were to write back any doubtful of loss accounts and fully provided for loan loss provision then written-off, the Bank would reverse the written-off entries.

The Bank adopted the new Bank of Thailand criteria, but did not adjust retrospectively. If the Bank had adjusted its financial statements retrospectively for the year ended December 31, 2002, the effects at the beginning of the period on the Bank's position would have been as follows.

| | In Million Baht December 31, 2002 |
|---|--------------------------------------|
| Increase in loans and accrued interest receivable | 9,795 |
| Increase in other assets | 113 |
| Increase in allowance for doubtful accounts | 9,908 |

As at December 31, 2003 and 2002, the Bank has estimated allowances for doubtful accounts, in respect of loans and interbank and money market loans of Baht 15,082 million and Baht 8,428 million, respectively, based on loans classified at a customer level, calculated in accordance with the Bank's own conservative provisioning methodology as described in Note 3.7. The increase in the allowance is the result of a very in-depth portfolio review and a change in the Bank's restructuring strategy and provisioning policy.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged as support for loans typically consists of land, buildings, and buildings under construction. The value of such collateral is based on either independent or internally performed appraisals.

As at December 31, 2003 and 2002, for the Bank only, the allowance for doubtful accounts in respect of loans and interbank and money market loans based on classified loans and accrued interest receivables and calculated at a customer level in accordance with the minimum requirements set out in the Notification of the Bank of Thailand was Baht 11,349 million and Baht 4,386 million, respectively. As at the same dates, the Bank had recorded an allowance for doubtful accounts of approximately Baht 15,082 million and Baht 8,428 million which represents 132.89% and 192.17% of the required minimum allowance for doubtful accounts, respectively.

As at December 31, 2003 and 2002, Baht 8.36 million and Baht 0.06 million, respectively, of the total allowance for doubtful accounts at those dates was established in respect of interbank and money market loans on both a consolidated basis and for the Bank only.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

10. REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING

Amounts in Baht

**CONSOLIDATED AND BANK ONLY
FINANCIAL STATEMENTS**

| | As at December 31, 2003 | As at December 31, 2002 |
|-------------------|-------------------------|-------------------------|
| Beginning balance | 330,895,944 | 302,205,139 |
| Additions | 28,214,437 | 192,885,104 |
| Amortisation | (79,186,927) | (108,731,889) |
| Other | - | (55,462,410) |
| Ending balance | <u>279,923,454</u> | <u>330,895,944</u> |

11. PROPERTY FORECLOSED

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

| Types | As at December 31, 2003 | | | |
|-------------------------------|-------------------------|----------------------|------------------------|-----------------------|
| | Beginning Balance | Additions | Sales | Ending Balance |
| Immovable properties | 13,900,332,970 | 2,114,147,535 | (1,777,751,193) | 14,236,729,312 |
| Movable properties | <u>13,964,594</u> | <u>2,949,516</u> | <u>(6,447,446)</u> | <u>10,466,664</u> |
| Total | 13,914,297,564 | 2,117,097,051 | (1,784,198,639) | 14,247,195,976 |
| Others | <u>39,844,037</u> | <u>16,303,020</u> | <u>(6,391,630)</u> | <u>49,755,427</u> |
| Total | 13,954,141,601 | 2,133,400,071 | (1,790,590,269) | 14,296,951,403 |
| Less allowance for impairment | <u>(439,546,923)</u> | <u>(1,647,113)</u> | <u>80,935,730</u> | <u>(360,258,306)</u> |
| Property foreclosed - net | <u>13,514,594,678</u> | <u>2,131,752,958</u> | <u>(1,709,654,539)</u> | <u>13,936,693,097</u> |

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

| Types | As at December 31, 2002 | | | |
|-------------------------------|-------------------------|----------------------|------------------------|-----------------------|
| | Beginning Balance | Additions | Sales | Ending Balance |
| Immovable properties | 12,565,236,165 | 2,813,111,564 | (1,478,014,759) | 13,900,332,970 |
| Movable properties | <u>13,964,594</u> | <u>7,830,368</u> | <u>(7,830,368)</u> | <u>13,964,594</u> |
| Total | 12,579,200,759 | 2,820,941,932 | (1,485,845,127) | 13,914,297,564 |
| Others | <u>24,950,872</u> | <u>19,894,430</u> | <u>(5,001,265)</u> | <u>39,844,037</u> |
| Total | 12,604,151,631 | 2,840,836,362 | (1,490,846,392) | 13,954,141,601 |
| Less allowance for impairment | <u>(432,247,393)</u> | <u>(201,854,910)</u> | <u>194,555,380</u> | <u>(439,546,923)</u> |
| Property foreclosed - net | <u>12,171,904,238</u> | <u>2,638,981,452</u> | <u>(1,296,291,012)</u> | <u>13,514,594,678</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| Types | Beginning Balance | Additions | Sales | Ending Balance |
|-------------------------------|-------------------|---------------|-----------------|----------------|
| Immovable properties | 13,929,351,546 | 2,114,147,535 | (1,777,751,193) | 14,265,747,888 |
| Movable properties | 1,628,771 | - | (1,628,771) | - |
| Total | 13,930,980,317 | 2,114,147,535 | (1,779,379,964) | 14,265,747,888 |
| Others | 39,844,037 | 16,303,020 | (6,391,630) | 49,755,427 |
| Total | 13,970,824,354 | 2,130,450,555 | (1,785,771,594) | 14,315,503,315 |
| Less allowance for impairment | (431,444,620) | - | 79,588,066 | (351,856,554) |
| Property foreclosed - net | 13,539,379,734 | 2,130,450,555 | (1,706,183,528) | 13,963,646,761 |

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

| Types | Beginning Balance | Additions | Sales | Ending Balance |
|-------------------------------|-------------------|---------------|-----------------|----------------|
| Immovable properties | 12,594,334,305 | 2,813,111,564 | (1,478,094,323) | 13,929,351,546 |
| Movable properties | 1,628,771 | - | - | 1,628,771 |
| Total | 12,595,963,076 | 2,813,111,564 | (1,478,094,323) | 13,930,980,317 |
| Others | 24,950,872 | 19,894,430 | (5,001,265) | 39,844,037 |
| Total | 12,620,913,948 | 2,833,005,994 | (1,483,095,588) | 13,970,824,354 |
| Less allowance for impairment | (426,000,000) | (200,000,000) | 194,555,380 | (431,444,620) |
| Property foreclosed - net | 12,194,913,948 | 2,633,005,994 | (1,288,540,208) | 13,539,379,734 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

For the year ended December 31, 2003

| | Net book value as of Jan. 1, 2003 | Movement in cost during the year | | | Ending balance | Movement of depreciation/allowance for impairment during the year | | | Net book value as of Dec.31, 2003 |
|---------------------------------------|-----------------------------------|----------------------------------|-------------|--------------|----------------|---|--------------|--------------------|-----------------------------------|
| | | Beginning balance | Addition | Deduction | | Beginning balance | Depreciation | Loss on impairment | |
| Land | | | | | | | | | |
| Original cost | 515,360,348 | 515,360,348 | - | - | 515,360,348 | - | - | - | 515,360,348 |
| Revaluation | 695,969,720 | 695,969,720 | - | - | 695,969,720 | - | - | - | 695,969,720 |
| Allowance for impairment of land | (63,287,707) | - | - | - | - | 63,287,707 | - | - | (63,287,707) |
| Premises | | | | | | | | | |
| Original cost | 726,955,538 | 1,182,065,744 | 46,417,591 | (531,353) | 1,227,951,982 | 455,110,206 | 15,818,529 | (347,986) | 470,580,749 |
| Revaluation | 55,420,848 | 72,855,578 | - | - | 72,855,578 | 17,434,730 | 2,007,419 | - | 19,442,149 |
| Allowance for impairment of buildings | (166,237,747) | - | - | - | - | 166,237,747 | - | (2,206,020) | 164,031,727 |
| Equipment | 597,031,633 | 1,403,189,027 | 572,818,399 | (36,500,202) | 1,939,507,224 | 806,157,394 | 233,021,218 | (35,840,969) | 1,003,337,643 |
| Assets unused | 24,949,547 | 24,949,547 | - | (17,484,419) | 7,465,128 | - | - | - | 7,465,128 |
| Total | 2,366,162,180 | 3,894,389,964 | 619,235,990 | (54,515,974) | 4,459,109,980 | 1,508,227,784 | 250,847,166 | (36,188,955) | 1,720,679,975 |

As of December 31, 2003, the Bank has assets still in use which have been fully depreciated, with original cost of Baht 529,478,861.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2002

| | Net book value as of Jan. 1, 2002 | Movement in cost during the year | | | Ending balance | Movement of depreciation/allowance for impairment during the year | | | Net book value as of Dec.31, 2002 |
|---------------------------------------|-----------------------------------|----------------------------------|--------------------|----------------------|----------------------|---|--------------------|----------------------|-----------------------------------|
| | | Beginning balance | Addition | Deduction | | Beginning balance | Depreciation | Loss on impairment | |
| Land | | | | | | | | | |
| Original cost | 512,415,348 | 512,415,348 | 7,065,000 | (4,120,000) | 515,360,348 | - | - | - | 515,360,348 |
| Revaluation | 712,133,720 | 712,133,720 | - | (16,164,000) | 695,969,720 | - | - | - | 695,969,720 |
| Allowance for impairment of land | (63,287,707) | - | - | - | - | 63,287,707 | - | - | 63,287,707 |
| Premises | | | | | | | | | |
| Original cost | 639,872,078 | 1,091,606,128 | 27,177,409 | (22,053,871) | 1,096,729,666 | 451,734,050 | 7,017,424 | (11,620,566) | 649,598,758 |
| Revaluation | 57,721,278 | 72,855,578 | - | - | 72,855,578 | 15,134,300 | 2,007,419 | - | 17,434,730 |
| Allowance for impairment of buildings | (170,635,974) | - | - | - | - | 170,635,974 | - | (4,398,227) | 166,237,747 |
| Equipment | | | | | | | | | |
| Original cost | 978,309,180 | 2,536,639,098 | 470,380,905 | (459,252,636) | 2,547,767,367 | 1,558,329,918 | 393,257,845 | (466,439,981) | 1,062,619,585 |
| Allowance for impairment of equipment | (15,204,937) | - | - | - | - | 15,204,937 | - | (7,437,403) | 7,767,534 |
| Assets unused | 30,064,035 | 30,064,035 | 19,174,974 | (24,289,462) | 24,949,547 | - | - | - | 24,949,547 |
| Total | 2,681,387,021 | 4,955,713,907 | 523,798,288 | (525,879,969) | 4,953,632,226 | 2,274,326,886 | 402,282,688 | (477,767,536) | 2,187,006,408 |
| | | | | | | | | | 2,766,625,818 |

As of December 31, 2002, the Bank and its subsidiaries have assets still in use which have been fully depreciated, with original cost of Baht 485,947,289.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

For the year ended December 31, 2002

| | Net book value as of Jan. 1, 2002 | Movement in cost during the year | | | Ending balance | Movement of depreciation/allowance for impairment during the year | | | Ending balance | Net book value as of Dec.31, 2002 |
|---------------------------------------|-----------------------------------|----------------------------------|-------------|---------------|----------------|---|--------------|--------------------|----------------|-----------------------------------|
| | | Beginning balance | Addition | Deduction | | Beginning balance | Depreciation | Loss on impairment | | |
| Land | | | | | | | | | | |
| Original cost | 512,415,348 | 512,415,348 | 7,065,000 | (4,120,000) | 515,360,348 | - | - | - | - | 515,360,348 |
| Revaluation | 712,133,720 | 712,133,720 | - | (16,164,000) | 695,969,720 | - | - | - | - | 695,969,720 |
| Allowance for impairment of land | (63,287,707) | - | - | - | - | 63,287,707 | - | - | 63,287,707 | (63,287,707) |
| Premises | | | | | | | | | | |
| Original cost | 724,908,157 | 1,176,642,207 | 27,477,409 | (22,053,872) | 1,182,065,744 | 451,734,050 | 14,996,722 | (11,620,566) | 455,110,206 | 726,955,538 |
| Revaluation | 57,721,278 | 72,855,578 | - | - | 72,855,578 | 15,134,300 | 2,007,419 | - | 293,011 | 55,420,848 |
| Allowance for impairment of buildings | (170,635,974) | - | - | - | - | 170,635,974 | - | (4,398,227) | - | (166,237,747) |
| Equipment | | | | | | | | | | |
| Assets unused | 30,064,035 | 30,064,035 | 19,174,974 | (24,289,462) | 24,949,547 | 652,973,363 | 185,353,209 | (32,169,178) | 806,157,394 | 597,031,633 |
| Total | 2,248,593,931 | 3,602,359,325 | 393,890,667 | (101,860,028) | 3,894,389,964 | 1,353,765,394 | 202,357,350 | (43,496,733) | 1,508,227,784 | 2,386,162,180 |

As of December 31, 2002, the Bank has assets still in use which have been fully depreciated, with original cost of Baht 453,054,191.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

13. DEPOSITS

Classified by type of deposits

| | Amounts in Baht | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| | CONSOLIDATED | | BANK ONLY | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Current deposits | 3,905,868,929 | 3,701,279,984 | 3,913,391,129 | 3,708,806,983 |
| Saving deposits | 72,055,200,442 | 59,332,747,379 | 72,097,356,288 | 59,382,265,143 |
| Time deposits with original maturity : | | | | |
| - Under 6 months | 37,001,842,964 | 40,529,842,809 | 37,022,109,317 | 40,530,109,162 |
| - Over 6 months but not over 1 year | 3,887,898,834 | 4,146,340,178 | 3,887,898,834 | 4,146,340,178 |
| - 1 year and over | 25,130,028,853 | 30,745,092,026 | 25,130,028,853 | 30,765,092,026 |
| Total | <u>141,980,840,022</u> | <u>138,455,302,376</u> | <u>142,050,784,421</u> | <u>138,532,613,492</u> |

Classified by the remaining period of the deposit agreements

| | Amounts in Baht | | | |
|--------------|------------------------|------------------------|------------------------|------------------------|
| | CONSOLIDATED | | BANK ONLY | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Under 1 year | 127,078,425,164 | 123,827,602,891 | 127,148,369,563 | 123,904,914,007 |
| Over 1 year | 14,902,414,858 | 14,627,699,485 | 14,902,414,858 | 14,627,699,485 |
| Total | <u>141,980,840,022</u> | <u>138,455,302,376</u> | <u>142,050,784,421</u> | <u>138,532,613,492</u> |

Classified by the currencies and residence of depositors

| | Amounts in Baht | | |
|------------------|-----------------------------------|--------------------|------------------------|
| | CONSOLIDATED FINANCIAL STATEMENTS | | |
| | As at December 31, 2003 | | |
| | Domestic | Foreign | Total |
| Baht | 140,732,608,527 | - | 140,732,608,527 |
| US dollars | 705,708,384 | 273,008,993 | 978,717,377 |
| Other currencies | 70,350,441 | 199,163,677 | 269,514,118 |
| Total | <u>141,508,667,352</u> | <u>472,172,670</u> | <u>141,980,840,022</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
CONSOLIDATED FINANCIAL STATEMENTS
 As at December 31, 2002

| | Domestic | Foreign | Total |
|------------------|------------------------|--------------------|------------------------|
| Baht | 137,286,321,125 | - | 137,286,321,125 |
| US dollars | 521,478,885 | 432,829,309 | 954,308,194 |
| Other currencies | 22,154,728 | 192,518,329 | 214,673,057 |
| Total | <u>137,829,954,738</u> | <u>625,347,638</u> | <u>138,455,302,376</u> |

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

| | Domestic | Foreign | Total |
|------------------|------------------------|--------------------|------------------------|
| Baht | 140,802,552,926 | - | 140,802,552,926 |
| US dollars | 705,708,384 | 273,008,993 | 978,717,377 |
| Other currencies | 70,350,441 | 199,163,677 | 269,514,118 |
| Total | <u>141,578,611,751</u> | <u>472,172,670</u> | <u>142,050,784,421</u> |

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

| | Domestic | Foreign | Total |
|------------------|------------------------|--------------------|------------------------|
| Baht | 137,363,632,241 | - | 137,363,632,241 |
| US dollars | 521,478,885 | 432,829,309 | 954,308,194 |
| Other currencies | 22,154,728 | 192,518,329 | 214,673,057 |
| Total | <u>137,907,265,854</u> | <u>625,347,638</u> | <u>138,532,613,492</u> |

In the consolidated financial statements as at December 31, 2003 and 2002, it is estimated that 82.73% and 78.21% respectively of total deposits have residual maturities within three months, 6.77% and 11.23% respectively have residual maturities of between three months and one year and 10.50% and 10.56% respectively have residual maturities between one year and five years from the balance sheet date.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

14. INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2003

| | At call | Time | Total |
|---|----------------------|--------------------|----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 305,520,000 | - | 305,520,000 |
| Commercial banks | 700,165,946 | 631,265,051 | 1,331,430,997 |
| Other banks | 255,754,365 | - | 255,754,365 |
| Finance companies, securities companies and credit foncier companies | 1,390,151,417 | 30,001,626 | 1,420,153,043 |
| Other financial institutions | 69,364,884 | 121,350,000 | 190,714,884 |
| Total domestic items | <u>2,720,956,612</u> | <u>782,616,677</u> | <u>3,503,573,289</u> |
| Foreign items | | | |
| US dollars | 157,242,141 | - | 157,242,141 |
| Other currencies | 394,111,175 | - | 394,111,175 |
| Total foreign items | <u>551,353,316</u> | <u>-</u> | <u>551,353,316</u> |
| Total domestic and foreign items | <u>3,272,309,928</u> | <u>782,616,677</u> | <u>4,054,926,605</u> |

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2002

| | At call | Time | Total |
|---|----------------------|--------------------|----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 156,396,000 | - | 156,396,000 |
| Commercial banks | 50,851,694 | 108,237,892 | 159,089,586 |
| Other banks | 172,893,180 | - | 172,893,180 |
| Finance companies, securities companies and credit foncier companies | 266,897,958 | 1,604 | 266,899,562 |
| Other financial institutions | 189,119,718 | 191,351,241 | 380,470,959 |
| Total domestic items | <u>836,158,550</u> | <u>299,590,737</u> | <u>1,135,749,287</u> |
| Foreign items | | | |
| US dollars | 82,152,930 | - | 82,152,930 |
| Yen | 20,758,569 | - | 20,758,569 |
| Other currencies | 255,940,683 | - | 255,940,683 |
| Total foreign items | <u>358,852,182</u> | <u>-</u> | <u>358,852,182</u> |
| Total domestic and foreign items | <u>1,195,010,732</u> | <u>299,590,737</u> | <u>1,494,601,469</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| | At call | Time | Total |
|---|----------------------|--------------------|----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 305,520,000 | - | 305,520,000 |
| Commercial banks | 500,163,146 | 99,265,051 | 599,428,197 |
| Other banks | 255,754,365 | - | 255,754,365 |
| Finance companies, securities companies and credit foncier companies | 1,395,770,994 | 30,001,626 | 1,425,772,620 |
| Other financial institutions | 69,364,884 | 21,350,000 | 90,714,884 |
| Total domestic items | <u>2,526,573,389</u> | <u>150,616,677</u> | <u>2,677,190,066</u> |
| Foreign items | | | |
| US dollars | 157,242,141 | - | 157,242,141 |
| Other currencies | 394,111,175 | - | 394,111,175 |
| Total foreign items | <u>551,353,316</u> | <u>-</u> | <u>551,353,316</u> |
| Total domestic and foreign items | <u>3,077,926,705</u> | <u>150,616,677</u> | <u>3,228,543,382</u> |

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

| | At call | Time | Total |
|---|----------------------|--------------------|----------------------|
| Domestic items | | | |
| Bank of Thailand and the Financial Institutions | | | |
| Development Fund | 156,396,000 | - | 156,396,000 |
| Commercial banks | 26,164,619 | 108,237,892 | 134,402,511 |
| Other banks | 172,893,180 | - | 172,893,180 |
| Finance companies, securities companies and credit foncier companies | 281,385,775 | 1,604 | 281,387,379 |
| Other financial institutions | 189,119,718 | 191,351,241 | 380,470,959 |
| Total domestic items | <u>825,959,292</u> | <u>299,590,737</u> | <u>1,125,550,029</u> |
| Foreign items | | | |
| US dollars | 82,152,930 | - | 82,152,930 |
| Yen | 20,758,569 | - | 20,758,569 |
| Other currencies | 255,940,683 | - | 255,940,683 |
| Total foreign items | <u>358,852,182</u> | <u>-</u> | <u>358,852,182</u> |
| Total domestic and foreign items | <u>1,184,811,474</u> | <u>299,590,737</u> | <u>1,484,402,211</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

For the Consolidated financial statements as at December 31, 2003, the Bank and its subsidiaries have estimated that 100% of the interbank and money market liabilities have residual maturities within one year and as at December 31, 2002, the Bank and its subsidiaries have estimated that 87.29% of the interbank and money market liabilities had residual maturities within one year and 12.71% had maturities between one to five years from the balance sheet dates.

For the Bank's financial statements as at December 31, 2003, the Bank has estimated that 100% of the interbank and money market liabilities had residual maturities within one year and as at December 31, 2002, the Bank has estimated that 87.20% of the interbank and money market liabilities had residual maturities within one year and 12.80% had maturities between one to five years from the balance sheet dates.

15. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

| Amounts in Baht | | |
|--|-------------------------|-------------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | |
| | As at December 31, 2003 | As at December 31, 2002 |
| Government bonds and Bank of Thailand bonds | - | 400,000,000 |
| Total | <u>-</u> | <u>400,000,000</u> |

16. BORROWINGS

Borrowings by types of securities and sources:

| Amounts in Baht | | | |
|--|----------------------|--------------------|----------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | |
| As at December 31, 2003 | | | |
| | Domestic | Foreign | Total |
| Subordinated convertible debentures | - | 900,344,650 | 900,344,650 |
| Subordinated debentures | 4,000,000,000 | - | 4,000,000,000 |
| Others | 14,775,671 | - | 14,775,671 |
| Total | <u>4,014,775,671</u> | <u>900,344,650</u> | <u>4,915,120,321</u> |

| Amounts in Baht | | | |
|--|----------------------|--------------------|----------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | |
| As at December 31, 2002 | | | |
| | Domestic | Foreign | Total |
| Subordinated convertible debentures | 8,150,000 | 900,344,650 | 908,494,650 |
| Subordinated debentures | 4,000,000,000 | - | 4,000,000,000 |
| Others | 16,678,000 | - | 16,678,000 |
| Total | <u>4,024,828,000</u> | <u>900,344,650</u> | <u>4,925,172,650</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Borrowings by types of securities, currency, maturity and interest rate:

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| Types | Currency | Maturity | Interest rate per annum | Amounts Baht |
|-------------------------------------|----------|---------------|----------------------------|-----------------------------|
| Short - term borrowings | | | | |
| Subordinated convertible debentures | USD | Feb. 9, 2004 | 3.75% | <u>900,344,650</u> |
| Long - term borrowings | | | | |
| Subordinated debentures | Baht | Jun. 25, 2006 | 7.15% | 2,000,000,000 |
| Subordinated debentures | Baht | Aug. 15, 2008 | 6.50% | 2,000,000,000 |
| Others | Baht | Oct. 31, 2007 | - | 6,775,671 |
| Others | Baht | Mar. 31, 2009 | - | <u>8,000,000</u> |
| Total long - term borrowings | | | | <u>4,014,775,671</u> |
| Total borrowings | | | | <u><u>4,915,120,321</u></u> |

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

| Types | Currency | Maturity | Interest rate per annum | Amounts Baht |
|-------------------------------------|----------|---------------|----------------------------|-----------------------------|
| Short - term borrowings | | | | |
| Subordinated convertible debentures | Baht | Dec. 30, 2003 | 8.00% | <u>8,150,000</u> |
| Long - term borrowings | | | | |
| Subordinated convertible debentures | USD | Feb. 9, 2004 | 3.75% | 900,344,650 |
| Subordinated debentures | Baht | Jun. 25, 2006 | 7.15% | 2,000,000,000 |
| Subordinated debentures | Baht | Aug. 15, 2008 | 6.50% | 2,000,000,000 |
| Others | Baht | Oct. 31, 2007 | - | 8,678,000 |
| Others | Baht | Mar. 31, 2009 | - | <u>8,000,000</u> |
| Total long - term borrowings | | | | <u>4,917,022,650</u> |
| Total borrowings | | | | <u><u>4,925,172,650</u></u> |

Issuance of subordinated convertible debentures to offshore investors

On October 15, 1993, the shareholders passed a resolution to issue subordinated, convertible debenture to foreign investors in the sum of to US\$ 75 million at the exchange rate of US\$ 1 to Baht 25.45 or approximately Baht 1,908.75 million. The debentures have an interest rate of 3.75 percent per annum and a 10-year maturity. The conversion price was set at Baht 66.90 at the exchange rate of US\$ 1 to Baht 25.45 on the condition that the Bank can convert or redeem the debentures before maturity the debentures were issued in 1994 and the debenture holders have the right to convert the debentures into ordinary shares from March 9, 1994 onwards.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

As at December 31, 2003 and 2002, the conversion prices were Baht 23 per share, calculated in compliance with the conditions in the prospectus. The shareholders passed a resolution to issue 53,727,766 ordinary shares with a par value of Baht 10 per share for the conversion of the remaining subordinated convertible debentures.

Up to December 31, 2003 and 2002 conversion rights of 39,623 debentures had been exercised resulting in their conversion into 19,272,234 ordinary shares.

Issuance of subordinated convertible debentures to the Bank's management

On November 27, 1992, the shareholders passed a resolution to issue 14,000 convertible debentures with no collateral to the Bank's management at a par value of Baht 10,000 each, totaling Baht 140 million. The debentures carry an interest rate of 8 percent per annum and have a 10-year maturity. The conversion rate was 1 convertible debenture to 1,000 ordinary shares. The debentures were issued between 1993 and 1995.

The debenture holders have the right to receive payments from the Bank before ordinary shareholders and preferred shareholders (if any) but after the repayment of debts to all other parties.

On April 25, 1995, the shareholders passed a resolution to issue 1,078,000 ordinary shares with a par value of Baht 10 per share for the conversion of the remaining subordinated convertible debentures. In this case 77 ordinary shares will be converted for every one unit of the subordinated convertible debentures issued to management.

On July 31, 1998, the shareholders passed a resolution to issue 2,608,480 ordinary shares with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 548 ordinary shares will be converted for every one unit of the subordinated convertible debentures issued to management.

On November 3, 1999, the shareholders passed a resolution to issue 289,900 ordinary shares, with a par value of Baht 10 per share for conversion of the remaining subordinated convertible debentures. In this case 260 ordinary shares will be converted for every one unit of the subordinated convertible debentures issued to management.

Up to December 31, 2003 and 2002, conversion rights of 13,185 debentures had been exercised resulting in their conversion into 16,440,105 ordinary shares.

For the remaining subordinated convertible debentures, had these debentureholders exercised their conversion rights as at December 31, 2002, the difference between market value and par value of the ordinary shares would amount to Baht 8,203,709.

Issuance of subordinated debentures to specific investors

On June 25, 1999, the Bank offered 2 million units of subordinated debenture No.1 at Baht 1,000 per unit, totaling Baht 2,000 million to ABN AMRO Bank N.V., Bangkok Branch. The debentures have a 7-year term, carry a fixed interest rate of 7.15 percent per annum and are due for redemption on June 25, 2006.

On August 15, 2001, the Bank offered 2 million units of subordinated debentures No.2 at Baht 1,000 per unit, totaling Baht 2,000 million through private placement. The debentures have a 7-year term, carry a floating interest rate calculated based on the average of the deposit

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

rate for one year of four major banks and the Bank plus 2.50 percent per annum with a minimum guaranteed rate of 6.50 percent per annum and are due for redemption on August 15, 2008.

Other long-term borrowings

As at December 31, 2003 and 2002, the Bank has long-term borrowings from the National Science and Technology Development Agency amounting to Baht 14,775,671 and Baht 16,678,000, respectively, which are non-interest bearing and will mature on March 31, 2009 and October 31, 2007.

17. HEDGE ACCOUNTING

Cash flow hedges of interest rate risk

Interest rate swaps are used to hedge cash flow exposures primarily on floating rate liabilities by changing interest paid to fixed rates. The swap notional amount used as a cash flow hedge as at December 31, 2003 and 2002 was Baht 5,000 million and Baht 3,000 million, respectively. The average pay rate and average receipt rate as at December 31, 2003 and 2002 were approximately 4% p.a. and 1% p.a. and 4% p.a. and 2% p.a. respectively. Average floating rates are based on rates implied in the yield curve as at the respective date. These may change significantly, affecting future cash flows.

The Bank purchases interest rate swap agreements to fix the long-term cost of funds. Those agreements are normally entered into when the fixed rates available under interest rate swaps are considered too low relative to the Bank's view about the level of future interest rates.

18. SHARE CAPITAL

| Amounts in Baht | | |
|---|--------------------------------|--------------------------------|
| CONSOLIDATED AND BANK ONLY | | |
| FINANCIAL STATEMENTS | | |
| | As at December 31, 2003 | As at December 31, 2002 |
| Paid-up share capital from shareholders | 50,597,343,740 | 50,597,343,740 |
| Paid-up share capital from conversion of subordinated convertible debentures (domestic) | 164,401,050 | 164,401,050 |
| Paid-up share capital from conversion of subordinated convertible debentures (foreign) | <u>192,722,340</u> | <u>192,722,340</u> |
| Total | <u>50,954,467,130</u> | <u>50,954,467,130</u> |

On April 12, 2002, at an Ordinary General Meeting No.10 held on April 12, 2002, the shareholders resolved the following significant matters :

Approval was given to reduce the registered capital of the Bank from Baht 46,613.45 million to Baht 38,828.45 million by cancelling 778,500,561 ordinary shares which have not yet been offered by the Bank for sale.

Approval was given to increase the registered capital of the Bank from Baht 38,828.45 million to Baht 53,828.45 million by issuing 1,500 million new ordinary shares, each having a par value of Baht 10, with a total worth of Baht 15,000 million to be offered for sale to all existing shareholders of the Bank.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Approval was given to allocate new ordinary shares from the capital increase by authorizing the Board of Directors to issue the new ordinary shares by allotment from time to time, to prescribe details of the issue in respect of price and time of issue or conditions of each allotment until all of the new shares have been fully subscribed, to authorize the Board of Directors to determine the price of new ordinary shares to be offered in each allotment at an amount that may be lower than the par value but not be less than Baht 5 per share, and to authorize the Board of Directors to allocate unsubscribed new ordinary shares from each allotment issued to those oversubscribing shareholders in proportion to their oversubscribed amount of new ordinary shares. Each allotment will be not less than Baht 1,500 million. The amount of new ordinary shares that each shareholder shall be permitted to oversubscribe shall not exceed the amount of shares allocated pursuant to his / her original entitlement to subscribe for new ordinary shares, and if, subsequent to the foregoing allocation, there remain any unsubscribed new ordinary shares, the Board of Directors will (i) offer any unsubscribed new ordinary shares to all existing shareholders as part of the subsequent allotment issue, or (ii) in respect of the final allotment issue, cancel any such unsubscribed new ordinary shares.

At the Board of Directors' Meeting No.535 held on April 24, 2002, the Board of Directors resolved to increase the share capital through the issuance of 1,391,847,447 new ordinary shares, each having a par value of Baht 10 to be offered for sale to the existing shareholders in proportion to their shareholding in the ratio of 2.75 existing shares to 1 new share, at the price of Baht 5 per share according to Ordinary General Meeting No.10 mentioned above.

On June 18, 2002, the Bank registered the fully paid-up shares of Baht 50,954.47 million with the Registrar of Partnerships and Companies, Ministry of Commerce.

19. CAPITAL FUND

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

| | As at December 31, 2003 | As at December 31, 2002 |
|--|-------------------------|-------------------------|
| Tier 1 capital | | |
| Paid-up share capital and premium on share capital | 39,808,629,752 | 39,808,629,752 |
| Statutory reserve | 367,591,201 | 367,591,201 |
| Other reserve | 72,000,000 | 72,000,000 |
| Deficit | (28,801,773,217) | (25,774,268,811) |
| Less Loss | - | (3,898,400,311) |
| | <u>11,446,447,736</u> | <u>10,575,551,831</u> |
| Tier 2 capital | | |
| Unrealized increment on land appraisal (70%) | 487,178,803 | 487,178,803 |
| Unrealized increment on buildings appraisal (50%) | 26,853,220 | 27,856,930 |
| Unrealized gain on investment in equity securities (available-for-sale)-net | 177,720,281 | - |
| Subordinated convertible debentures | 2,400,000,000 | 3,380,068,930 |
| General provision for pass loans and receivables | 1,507,428,788 | 1,492,385,080 |
| | <u>4,599,181,092</u> | <u>5,387,489,743</u> |
| Total Capital Fund | <u>16,045,628,828</u> | <u>15,963,041,574</u> |
| Tier 1 capital ratio | 9.49% | 8.86% |
| Total capital ratio | 13.31% | 13.37% |
| Minimum Tier 1 capital ratio requirement | 4.25% | 4.25% |
| Minimum total capital ratio requirement | 8.50% | 8.50% |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

In the fourth quarter of 2001, the Bank had its land and buildings reappraised by an independent appraisal company. The Bank of Thailand approved an additional surplus on land and buildings amounting to Baht 280,555,552 to count as Tier 2 capital commencing from March 29, 2002.

20. STATUTORY RESERVE

Under the Public Limited Companies Act, the Bank is required to set aside as statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorized capital, and under the provision of the Civil and Commercial Code of Thailand, subsidiary companies are required to set aside as a legal reserve at least 5% of net income each time a dividend is declared until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

21. CONTINGENCIES

Amounts in Baht

CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| | Baht Currency | Foreign Currencies | Total |
|--|-----------------------|-----------------------|-----------------------|
| Aval to bills | 926,603,604 | - | 926,603,604 |
| Guarantees of loans | 28,776,024 | 75,756,990 | 104,533,014 |
| Other guarantees | 8,944,949,870 | 876,353,594 | 9,821,303,464 |
| Letters of credit | 168,582,533 | 2,907,929,329 | 3,076,511,862 |
| Forward exchange | | | |
| Forward exchange bought | 16,747,687,787 | 11,313,764,997 | 28,061,452,784 |
| Forward exchange sold | 8,248,656,856 | 19,733,034,913 | 27,981,691,769 |
| Interest rate swap contract | 5,000,000,000 | - | 5,000,000,000 |
| Undrawn overdraft amount | 17,348,349,157 | - | 17,348,349,157 |
| Liability under unmatured import bills | 5,550,700 | 1,353,578,265 | 1,359,128,965 |
| Total | <u>57,419,156,531</u> | <u>36,260,418,088</u> | <u>93,679,574,619</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| Amounts in Baht | | | |
|--|-----------------------|-----------------------|-----------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | |
| As at December 31, 2002 | | | |
| | Baht Currency | Foreign Currencies | Total |
| Aval to bills | 677,759,316 | - | 677,759,316 |
| Guarantees of loans | 75,035,505 | 107,633,327 | 182,668,832 |
| Other guarantees | 8,747,192,887 | 576,675,308 | 9,323,868,195 |
| Letters of credit | 207,929,714 | 3,186,424,083 | 3,394,353,797 |
| Forward exchange | | | |
| Forward exchange bought | 19,724,398,503 | 11,133,158,807 | 30,857,557,310 |
| Forward exchange sold | 8,021,382,417 | 22,815,650,861 | 30,837,033,278 |
| Interest rate swap contract | 3,000,000,000 | - | 3,000,000,000 |
| Undrawn overdraft amount | 16,088,064,337 | - | 16,088,064,337 |
| Liability under unmatured import bills | 2,529,000 | 1,825,193,793 | 1,827,722,793 |
| Total | <u>56,544,291,679</u> | <u>39,644,736,179</u> | <u>96,189,027,858</u> |

The forward foreign exchange contracts entered into by the Bank relate primarily to purchases and sales of US dollars against the Thai Baht. As at December 31, 2003 and 2002, all such forward foreign exchange contracts had residual maturities of less than one year from the balance sheet date. In respect of the Bank's other commitments, the notional amounts do not necessarily reflect future cash requirements as the facilities may expire without being drawn upon.

22. ASSETS USED AS COLLATERAL

| Amounts in Baht | | |
|--|--------------------------------|--------------------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | |
| | As at December 31, 2003 | As at December 31, 2002 |
| Government bonds | | |
| Deposited as collateral for securities | | |
| sold under repurchase agreement | 2,087,950,000 | 4,579,185,000 |
| Deposited as collateral for Government departments | 1,246,000,000 | 1,670,000,000 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

23. LITIGATION

In the ordinary course of business, the Bank is a defendant in a number of lawsuits against the Bank. These include a cases of wrongful acts brought against the Bank, claiming Baht 553.21 million and Baht 390.56 million as at December 31, 2003 and 2002, respectively. Management believe that the liability, if any, resulting from the lawsuits will not be material to the Bank's financial position or results of operations.

24. RELATED PARTY TRANSACTIONS

The Bank has business transactions with related companies. These transactions are with companies that have joint directors and/or shareholders with the Bank. The financial statements reflect the effects of these transactions in the normal course of business, and the price, interest rates, terms and conditions are considered to be at arm's length.

The significant transactions with related companies for the years ended December 31, 2003 and 2002, are as follows:

Loans to and commitments with certain officers from the levels of departmental managers upwards and the companies in which they and/or the Bank's directors and/or the Bank hold 10% or more of each company's paid up capital at December 31, 2003 and 2002, are as follows:

| | Amounts in Baht | | | |
|--------------------|----------------------|-------------------|----------------------|-------------------|
| | CONSOLIDATED | | BANK ONLY | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | December 31, 2003 | December 31, 2002 | December 31, 2003 | December 31, 2002 |
| Loans | | | | |
| Ending balance | 4,524,836,824 | 3,828,687,476 | 6,364,836,824 | 5,610,755,372 |
| Average balance | 4,696,449,044 | 4,131,780,373 | 6,396,732,877 | 5,479,036,031 |
| Commitments | | | | |
| Ending balance | 238,573,191 | 310,664,185 | 238,573,191 | 310,664,185 |
| Average balance | 278,742,759 | 283,743,490 | 278,742,759 | 283,743,490 |

As at December 31, 2003 and 2002, the Bank has staff loans with certain officers from the levels of department managers upwards amounting to Baht 24,447,994 and Baht 22,366,635, respectively.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Certain information related to the aforementioned loans and commitments of the Bank, are as follows:

As at December 31, 2003

| | Amounts (Baht) | Interest Rate % per annum | Maturity Date | Amounts | |
|-------------|-------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|
| | | | | Secured (Million Baht) | Unsecured (Million Baht) |
| Loans | 6,364,836,824 | 1.25 - 19.00 | Apr. 23,1993 to Jun. 30,2031 | } 4,322 | 2,281 |
| Commitments | 238,573,191 | 1.50 - 2.50 | Sep. 30,1997 to Dec. 31,2030 | | |

As at December 31, 2002

| | Amounts (Baht) | Interest Rate % per annum | Maturity Date | Amounts | |
|-------------|-------------------|------------------------------|---------------------------------|---------------------------|-----------------------------|
| | | | | Secured (Million Baht) | Unsecured (Million Baht) |
| Loans | 5,610,755,372 | 1.75 - 19.00 | Apr. 23,1993 to Dec. 31,2030 | } 3,827 | 2,095 |
| Commitments | 310,664,185 | 1.00 - 2.50 | Jan. 16,1996 to Dec. 31,2030 | | |

Significant transactions with the related companies whose shares are more than 20 percent owned by the Bank consisted mainly of the following:

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2003

| Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment | | Dividend | |
|---|-----------------------|--------------------------|--------------|-------------|---------------|-------------|------------|
| | | | | Cost Method | Equity Method | | |
| INVESTMENT ASSOCIATED COMPANY Axa Insurance Public Co., Ltd | Non-life insurance | Shareholder | 352,642,100 | 22.06 | 121,117,516 | 165,837,506 | 14,388,986 |

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2002

| Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment | | Dividend | |
|---|-----------------------|--------------------------|--------------|-------------|---------------|-------------|-----------|
| | | | | Cost Method | Equity Method | | |
| INVESTMENT ASSOCIATED COMPANY Axa Insurance Public Co., Ltd | Non-life insurance | Shareholder | 352,642,100 | 22.06 | 121,117,516 | 147,842,296 | 5,055,590 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

| | Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment | | Dividend |
|--------------------------------|--------------------|--------------|-----------------------|-----------|-------------|---------------|------------|
| | | | | | Cost Method | Equity Method | |
| INVESTMENT | | | | | | | |
| SUBSIDIARY COMPANIES | | | | | | | |
| Asia Property Co., Ltd. | Asset management | Shareholder | 40,000,000 | 99.99 | 109,354,000 | (42,271,978) | - |
| BOA Leasing Co., Ltd. | Leasing | Shareholder | 320,000,000 | 99.99 | 319,999,930 | 429,546,423 | - |
| BOA Asset Management Co., Ltd. | Fund management | Shareholder | 100,000,000 | 99.99 | 135,725,724 | 102,430,494 | - |
| Asia Leasehold Co., Ltd. | Real estate | Shareholder | 1,000,000 | 99.93 | 999,300 | (28,393,370) | - |
| ASSOCIATED COMPANY | | | | | | | |
| Axa Insurance Public Co., Ltd. | Non-life insurance | Shareholder | 352,642,100 | 22.06 | 121,117,516 | 165,837,506 | 14,388,986 |

Amounts in Baht

| | |
|-----------------------------|---------------|
| LOANS | |
| SUBSIDIARY COMPANIES | |
| BOA Leasing Co., Ltd. | 1,840,000,000 |

INVESTMENT FROM DEBT RESTRUCTURING

Amounts in Baht

| | Book Value |
|--|---------------|
| N.Y.Sugar Co., Ltd. | |
| Acquired 30.00% of the registered share capital (par value of Baht 900 million) | - |
| Loans (before net of allowance for doubtful accounts) | 2,078,404,754 |
| Commitment | 400,000 |
| High-Rise Development Co., Ltd. | |
| Acquired 76.21% of the registered share capital (par value of Baht 135.46 million) | |
| Loans (before net of allowance for doubtful accounts) | 1,218,287,036 |
| Commitment | 1,440,000 |

The above investments are classified as general investments, which are stated at cost net of allowance for impairment of securities.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

| | Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment Cost Method | Investment Equity Method | Dividend |
|--------------------------------|--------------------|--------------|-----------------------|-----------|------------------------|--------------------------|-----------|
| INVESTMENT | | | | | | | |
| SUBSIDIARY COMPANIES | | | | | | | |
| Asia Property Co., Ltd. | Asset management | Shareholder | 40,000,000 | 99.99 | 109,354,000 | (42,271,978) | - |
| BOA Leasing Co., Ltd. | Leasing | Shareholder | 800,000,000 | 99.99 | 799,999,930 | 323,591,309 | - |
| BOA Asset Management Co., Ltd. | Fund Management | Shareholder | 100,000,000 | 99.99 | 135,725,724 | 61,092,393 | - |
| Asia Leasehold Co., Ltd. | Real estate | Shareholder | 1,000,000 | 99.93 | 999,300 | (28,393,370) | - |
| ASSOCIATED COMPANY | | | | | | | |
| Axa Insurance Public Co., Ltd. | Non-life Insurance | Shareholder | 352,642,100 | 22.06 | 121,117,516 | 147,842,296 | 5,055,590 |

Amounts in Baht

| | |
|-----------------------------|---------------|
| LOANS | |
| SUBSIDIARY COMPANIES | |
| BOA Leasing Co., Ltd. | 1,782,067,896 |

INVESTMENT FROM DEBT RESTRUCTURING

Amounts in Baht

| | Book Value |
|--|---------------|
| N.Y.Sugar Co., Ltd. | |
| Acquired 30.00% of the registered share capital (par value of Baht 900 million) | - |
| Loans (before net of allowance for doubtful accounts) | 2,213,109,295 |
| Commitment | 4,318,000 |
| High-Rise Development Co., Ltd. | |
| Acquired 72.09% of the registered share capital (par value of Baht 115.46 million) | - |
| Loans (before net of allowance for doubtful accounts) | 729,880,325 |
| Commitment | 1,440,000 |

The above investments are classified as general investments, which are stated at cost net of allowance for impairment of securities.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Significant transactions with the related companies whose share are 10-20 percent owned by the Bank and its subsidiaries consisted mainly of the following:

| Amounts in Baht | | | | | | |
|---------------------------------------|---------------|-----------------------|-------------|--------------------------|------------|---------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
| As at December 31, 2003 | | | | | | |
| Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment (Cost Method) | Dividend | |
| INVESTMENT | | | | | | |
| Wing Fat Co.,Ltd. | Leather | Shareholder | 70,000,000 | 14.29 | - | - |
| Asia Dhanavadh Warehouse Co., Ltd. | Warehouse | Shareholder | 30,000,000 | 13.33 | 4,232,000 | 320,000 |
| Piyalai Holdings Co., Ltd. | Real estate | Shareholder | 600,000,000 | 10.00 | 60,000,000 | - |
| J.A.T. Leasing Co., Ltd. | Hire-purchase | Shareholder | 90,000,000 | 10.00 | 9,000,000 | - |
| Advance CCC Service Co., Ltd. | Service | Shareholder | 2,000,000 | 10.00 | 200,000 | - |
| Distar Electric Corporation Co., Ltd. | Electrical | Shareholder | 230,000,000 | 13.04 | 42,000,000 | - |

| Amounts in Baht | |
|----------------------------|-------------|
| LOANS | |
| Wing Fat Co., Ltd. | 366,607,346 |
| Piyalai Holdings Co., Ltd. | 574,444,967 |
| J.A.T. Leasing Co., Ltd. | 7,224,867 |

| Amounts in Baht | | | | | | |
|------------------------------------|---------------|-----------------------|-------------|--------------------------|------------|---------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
| As at December 31, 2002 | | | | | | |
| Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment (Cost Method) | Dividend | |
| INVESTMENT | | | | | | |
| Wing Fat Co.,Ltd. | Leather | Shareholder | 70,000,000 | 14.29 | - | - |
| Asia Dhanavadh Warehouse Co., Ltd. | Warehouse | Shareholder | 30,000,000 | 13.33 | 4,232,000 | 320,000 |
| Piyalai Holdings Co., Ltd. | Real estate | Shareholder | 600,000,000 | 10.00 | 60,000,000 | - |
| J.A.T. Leasing Co., Ltd. | Hire-purchase | Shareholder | 90,000,000 | 10.00 | 9,000,000 | - |

| Amounts in Baht | |
|----------------------------|-------------|
| LOANS | |
| Wing Fat Co., Ltd. | 287,060,738 |
| Piyalai Holdings Co., Ltd. | 418,150,000 |
| J.A.T. Leasing Co., Ltd. | 287,546 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2003

| | Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment (Cost Method) | Dividend |
|---------------------------------------|------------------|--------------|-----------------------|-----------|--------------------------|----------|
| INVESTMENT | | | | | | |
| Wing Fat Co.,Ltd. | Leather | Shareholder | 70,000,000 | 14.29 | - | - |
| Asia Dhanavadh Warehouse Co., Ltd. | Warehouse | Shareholder | 30,000,000 | 13.33 | 4,232,000 | 320,000 |
| Piyalai Holdings Co., Ltd. | Real estate | Shareholder | 600,000,000 | 10.00 | 60,000,000 | - |
| Advance CCC Service Co., Ltd. | Service | Shareholder | 2,000,000 | 10.00 | 200,000 | - |
| Distar Electric Corporation Co., Ltd. | Electrical | Shareholder | 230,000,000 | 13.04 | 42,000,000 | - |

Amounts in Baht

| | | |
|----------------------------|--|-------------|
| LOANS | | |
| Wing Fat Co., Ltd. | | 366,607,346 |
| Piyalai Holdings Co., Ltd. | | 574,444,967 |

Amounts in Baht

BANK ONLY FINANCIAL STATEMENTS

As at December 31, 2002

| | Type of Business | Relationship | Paid-up Share Capital | Holding % | Investment (Cost Method) | Dividend |
|------------------------------------|------------------|--------------|-----------------------|-----------|--------------------------|----------|
| INVESTMENT | | | | | | |
| Wing Fat Co.,Ltd. | Leather | Shareholder | 70,000,000 | 14.29 | - | - |
| Asia Dhanavadh Warehouse Co., Ltd. | Warehouse | Shareholder | 30,000,000 | 13.33 | 4,232,000 | 320,000 |
| Piyalai Holdings Co., Ltd. | Real estate | Shareholder | 600,000,000 | 10.00 | 60,000,000 | - |

Amounts in Baht

| | | |
|----------------------------|--|-------------|
| LOANS | | |
| Wing Fat Co., Ltd. | | 287,060,738 |
| Piyalai Holdings Co., Ltd. | | 418,150,000 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Other significant balances and transactions with related parties are as follows :

| Amounts in Baht | | | | | | |
|--|--------------------|-------------------|-------------------------|--------------------|-------------------|---------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
| As at December 31, 2003 | | | As at December 31, 2002 | | | |
| | Associated Company | Major Shareholder | Total | Associated Company | Major Shareholder | Total |
| Interbank and money market items (Assets) | - | 1,202,410,139 | 1,202,410,139 | - | 497,877,803 | 497,877,803 |
| Deposits | 4,415,259 | - | 4,415,259 | 5,789,907 | - | 5,789,907 |
| Interbank and money market items (Liabilities) | - | 392,556,798 | 392,556,798 | - | 54,502,756 | 54,502,756 |
| Borrowings | - | 2,000,000,000 | 2,000,000,000 | - | 2,000,000,000 | 2,000,000,000 |
| Other liabilities | - | 43,508,563 | 43,508,563 | - | 38,719,070 | 38,719,070 |

| Amounts in Baht | | | | | | |
|---------------------------------------|--------------------|-------------------|-------------|--------------------|-------------------|-------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
| For the years ended December 31, 2003 | | | 2002 | | | |
| | Associated Company | Major Shareholder | Total | Associated Company | Major Shareholder | Total |
| Interest income | - | 10,194,267 | 10,194,267 | - | 43,080,944 | 43,080,944 |
| Interest expenses | - | 144,586,152 | 144,586,152 | - | 141,051,048 | 141,051,048 |
| Insurance expenses | 16,412,757 | - | 16,412,757 | 26,753,800 | - | 26,753,800 |
| Commission and service expenses | - | 35,483,669 | 35,483,669 | - | 76,918,036 | 76,918,036 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS

| | As at December 31, 2003 | | | As at December 31, 2002 | | | Total |
|---|-------------------------|--------------------|-------------------|-------------------------|--------------------|-------------------|---------------|
| | Subsidiaries | Associated Company | Major Shareholder | Subsidiaries | Associated Company | Major Shareholder | |
| Interbank and money market items (Assets) | - | - | 1,202,410,129 | - | - | 497,877,803 | 497,877,803 |
| Loans | 1,840,000,000 | - | 1,840,000,000 | 1,782,067,896 | - | - | 1,782,067,896 |
| Accrued interest receivable | 118,373 | - | 118,373 | 3,538,671 | - | - | 3,538,671 |
| Other assets | 17,000,000 | - | 17,000,000 | - | - | - | - |
| Deposits | 58,428,547 | 4,415,259 | 62,843,806 | 77,311,116 | 5,789,907 | - | 83,101,023 |
| Interbank and money market items (Liabilities) | 5,011,914 | - | 392,556,798 | 9,600,793 | - | 54,502,756 | 64,103,549 |
| Borrowings | - | - | 2,000,000,000 | - | - | 2,000,000,000 | 2,000,000,000 |
| Accrued interest expenses | 554,442 | - | 554,442 | 1,027,559 | - | - | 1,027,559 |
| Other liabilities | - | - | 43,508,563 | - | - | 38,719,070 | 38,719,070 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 For the years ended December 31,

| | 2003 | | | 2002 | | | Total |
|---------------------------------|--------------|--------------------|-------------------|--------------|--------------------|-------------------|-------------|
| | Subsidiaries | Associated Company | Major Shareholder | Subsidiaries | Associated Company | Major Shareholder | |
| Interest income | 48,714,655 | - | 10,194,267 | 53,578,044 | - | 43,080,944 | 96,658,988 |
| Other income | 37,540,144 | - | - | 10,429,806 | - | - | 10,429,806 |
| Interest expenses | 359,032 | - | 144,586,152 | 1,143,551 | - | 141,051,048 | 142,194,599 |
| Rental expenses | 37,578,258 | - | - | 39,170,646 | - | - | 39,170,646 |
| Insurance expenses | - | 16,412,757 | - | - | 26,753,800 | - | 26,753,800 |
| Commission and service expenses | - | - | 35,483,669 | - | - | 76,918,036 | 76,918,036 |
| Premises and equipment expenses | - | - | - | 13,206,000 | - | - | 13,206,000 |
| Purchases of fixed assets | - | - | - | 300,000 | - | - | 300,000 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Management cost allocation charged to related company

For the years ended December 31, 2003 and 2002, the Bank recorded cost allocations, included IT system charges and commissions relating to loan customer recommendation, from the major shareholder and a subsidiary of the major shareholder of Baht 48.65 million and Baht 68.18 million, respectively, as expenses in the statements of income.

25. INCOME TAX EXPENSE

The tax charge of Baht 22,496,115 in the consolidated financial statements and Baht 21,988,900 in the Bank only financial statements for the year ended December 31, 2003 relates to a taxable gain in the Bangkok International Banking Facilities which does not qualify to be offset against carried forward tax losses.

26. LONG-TERM LEASES

The Bank has entered into lease agreements in respect of the land and buildings for branches. Lease terms range from 3 - 30 years and are renewable.

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2003

| Type of Lease | Period | Remaining Rental Expenses |
|------------------|-------------|------------------------------|
| Office buildings | 2004 - 2008 | 108,325,077 |
| Office buildings | 2009 - 2013 | 19,863,591 |
| Office buildings | 2014 - 2018 | 11,362,769 |
| Office buildings | 2019 - 2023 | 7,011,274 |
| Office buildings | 2024 - 2028 | 693,236 |

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2002

| Type of Lease | Period | Remaining Rental Expenses |
|------------------|-------------|------------------------------|
| Office buildings | 2003 - 2007 | 122,620,973 |
| Office buildings | 2008 - 2012 | 55,403,742 |
| Office buildings | 2013 - 2017 | 28,579,872 |
| Office buildings | 2018 - 2022 | 19,415,070 |
| Office buildings | 2023 - 2027 | 1,089,372 |
| Land | 2003 - 2020 | 1,500,000 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

| Type of Lease | Period | Remaining Rental Expenses |
|------------------|-------------|------------------------------|
| Office buildings | 2004 - 2008 | 90,695,557 |
| Office buildings | 2009 - 2013 | 19,863,591 |
| Office buildings | 2014 - 2018 | 11,362,769 |
| Office buildings | 2019 - 2023 | 7,011,274 |
| Office buildings | 2024 - 2028 | 693,236 |

Amounts in Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

| Type of Lease | Period | Remaining Rental Expenses |
|------------------|-------------|------------------------------|
| Office buildings | 2003 - 2007 | 100,738,153 |
| Office buildings | 2008 - 2012 | 55,403,742 |
| Office buildings | 2013 - 2017 | 28,579,872 |
| Office buildings | 2018 - 2022 | 19,415,070 |
| Office buildings | 2023 - 2027 | 1,089,372 |

27. CLASSIFIED ASSETS

Classified assets by customer in the Bank's financial statements:

Amounts in Million Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2003

| Classifications | Investments | Loans* | Properties Foreclosed | Other Assets | Total |
|------------------|-------------|----------------|--------------------------|-----------------|----------------|
| Pass | - | 96,164 | - | 12 | 96,176 |
| Special mention | - | 1,865 | - | 2 | 1,867 |
| Substandard | - | 951 | - | 4 | 955 |
| Doubtful | - | 2,563 | - | 32 | 2,595 |
| Doubtful of loss | 355 | 19,690 | 319 | 1,244 | 21,608 |
| Total | <u>355</u> | <u>121,233</u> | <u>319</u> | <u>1,294</u> | <u>123,201</u> |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Amounts in Million Baht
BANK ONLY FINANCIAL STATEMENTS
 As at December 31, 2002

| | Investments | Loans* | Properties Foreclosed | Other Assets | Total |
|------------------|-------------------|-----------------------|--------------------------|-------------------|-----------------------|
| Classifications | | | | | |
| Pass | - | 91,858 | - | 8 | 91,866 |
| Special mention | - | 3,018 | - | 1 | 3,019 |
| Substandard | - | 1,099 | - | 10 | 1,109 |
| Doubtful | - | 2,569 | - | 73 | 2,642 |
| Doubtful of loss | <u>898</u> | <u>15,867</u> | <u>332</u> | <u>621</u> | <u>17,718</u> |
| Total | <u><u>898</u></u> | <u><u>114,411</u></u> | <u><u>332</u></u> | <u><u>713</u></u> | <u><u>116,354</u></u> |

* includes interbank and money market loans.

28. BASIC EARNINGS (LOSS) PER SHARE

**CONSOLIDATED AND BANK ONLY
 FINANCIAL STATEMENTS**

For the years ended December 31,

| | 2003 | 2002 |
|---|---------------|-----------------|
| Net profit (loss) for the year (Baht) | 1,818,460,907 | (3,029,511,825) |
| Weighted average number of ordinary shares calculated by using the number of ordinary shares issued, including those from conversion of debentures upon cash received (shares) | 5,095,446,713 | 4,557,037,764 |
| Basic earnings (loss) per share (Baht) | 0.36 | (0.66) |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

29. FULLY DILUTED EARNINGS (LOSS) PER SHARE

| | Amounts in Baht | |
|---|---|------------------------|
| | CONSOLIDATED AND BANK ONLY | |
| | FINANCIAL STATEMENTS | |
| | For the years ended December 31, | |
| | 2003 | 2002 |
| Calculation of net profit (loss) | | |
| Net profit (loss) for the year | 1,818,460,907 | (3,029,511,825) |
| Plus : Interest paid on debentures, saved from conversion [assuming that all remaining debentures were converted on January 1,] | | |
| Interest expense | | |
| Debentures issued in Thailand | 657,359 | 650,214 |
| Debentures issued outside Thailand | <u>52,871,570</u> | <u>58,248,400</u> |
| Total interest expense | 53,528,929 | 58,898,614 |
| Income tax | - | - |
| Calculated net profit (loss) for fully diluted earnings (loss) per share | <u>1,871,989,836</u> | <u>(2,970,613,211)</u> |
| Calculation of weighted average number of ordinary shares | | |
| Number of weighted average ordinary shares during the year (shares) | 5,095,446,713 | 4,557,037,764 |
| Number of shares from conversion of remaining debentures in Thailand of Baht 8,150,000 (shares) | - | 1,536,275 |
| Number of shares from conversion of remaining debentures outside Thailand of Baht 900,344,650 (shares) | <u>39,145,420</u> | <u>39,145,420</u> |
| Total weighted average number of ordinary shares during the year (shares) | <u>5,134,592,133</u> | <u>4,597,719,459</u> |
| Fully diluted earnings (loss) per share (Baht) | 0.36 | (0.65) |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

30. FINANCIAL POSITION AND RESULTS OF OPERATIONS CLASSIFIED BY DOMESTIC AND FOREIGN BUSINESSES

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS**As at December 31, 2003**

| | Domestic | Foreign | Total |
|--|-----------------|-------------|-----------------|
| Total assets | 169,564,651,258 | 948,945,210 | 170,513,596,468 |
| Interbank and money market items-net (assets) | 6,597,102,227 | 142,413,928 | 6,739,516,155 |
| Investments-net | 25,751,727,694 | - | 25,751,727,694 |
| Loans | 122,132,370,735 | - | 122,132,370,735 |
| Deposits | 141,980,840,022 | - | 141,980,840,022 |
| Interbank and money market items (liabilities) | 4,054,926,605 | - | 4,054,926,605 |
| Borrowings | 4,014,775,671 | 900,344,650 | 4,915,120,321 |
| Total contingencies | 93,679,574,619 | - | 93,679,574,619 |

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS**As at December 31, 2002**

| | Domestic | Foreign | Total |
|--|-----------------|-------------|-----------------|
| Total assets | 160,318,020,281 | 952,880,258 | 161,270,900,539 |
| Interbank and money market items-net (assets) | 10,486,234,990 | 164,487,941 | 10,650,722,931 |
| Investments-net | 22,176,182,388 | - | 22,176,182,388 |
| Loans | 114,303,738,057 | - | 114,303,738,057 |
| Deposits | 138,455,302,376 | - | 138,455,302,376 |
| Interbank and money market items (liabilities) | 1,494,601,469 | - | 1,494,601,469 |
| Borrowings | 4,024,828,000 | 900,344,650 | 4,925,172,650 |
| Total contingencies | 96,189,027,858 | - | 96,189,027,858 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Results of operations classified by type of business segment :

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2003

| | Domestic | Foreign | Total |
|------------------------------|----------------------|---------------------|----------------------|
| Interest and dividend income | 6,228,828,060 | - | 6,228,828,060 |
| Interest expenses | (2,330,200,000) | (52,871,570) | (2,383,071,570) |
| Net interest income | 3,898,628,060 | (52,871,570) | 3,845,756,490 |
| Non-interest income | 2,565,088,023 | 38,336,394 | 2,603,424,417 |
| Non-interest expenses | (4,604,988,660) | (3,235,225) | (4,608,223,885) |
| Profit (loss) before tax | <u>1,858,727,423</u> | <u>(17,770,401)</u> | <u>1,840,957,022</u> |

Amounts in Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2002

| | Domestic | Foreign | Total |
|------------------------------|------------------------|---------------------|------------------------|
| Interest and dividend income | 6,667,533,759 | 605 | 6,667,534,364 |
| Interest expenses | (2,967,759,175) | (58,248,400) | (3,026,007,575) |
| Net interest income | 3,699,774,584 | (58,247,795) | 3,641,526,789 |
| Non-interest income | 2,430,238,823 | 38,207,177 | 2,468,446,000 |
| Non-interest expenses | (9,135,263,621) | (3,808,103) | (9,139,071,724) |
| Loss before tax | <u>(3,005,250,214)</u> | <u>(23,848,721)</u> | <u>(3,029,098,935)</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)*FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002***31. DISCLOSURE OF FINANCIAL INSTRUMENTS**

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates and foreign exchange rates. These financial instruments with off-balance sheet risk include commitments to extend credit, standby letters of credit and financial guarantees, and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit and foreign exchange risk in excess of the amount recognized in the consolidated financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank enters into forward foreign exchange contracts as part of its risk management strategy primarily to manage the market risk arising from the Bank's underlying assets and liabilities and to offset risk created by its customers. The utilization of forward foreign exchange contracts for these purposes is governed by the Board's approved guidelines and parameters set by the Assets and Liabilities Committee.

The Bank does not heavily speculate in or engage in the trading of any derivative financial instruments except forward foreign exchange in which the Bank will speculate from time to time when the opportunity arises within predefined limits.

Accounting Policies

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank and its subsidiaries. The Bank and its subsidiaries have adopted the policy of only dealing with creditworthy counterparts and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the consolidated balance sheet, net of allowance for doubtful accounts (see Notes 3.7 and 8) represents the Bank's and its subsidiaries' maximum exposure to credit risk.

The Bank's exposure to credit loss in the event of nonperformance by the counterparty to the financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on balance sheet instruments. For forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its derivative instruments through credit approvals, limits, and monitoring procedures set by its Assets and Liabilities Committee. Credit risk also arises from the possibility that the counterparty to off-balance sheet financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

For the purpose of calculating the credit risk associated with the Bank's off-balance sheet financial instruments which are not foreign exchange contracts and interest rate swap contracts, the Bank applies a credit conversion factor to the notional amount in order to determine a credit equivalent amount in accordance with regulations established by the Bank of Thailand. However, in case of foreign exchange contracts and interest rate swap contracts, the Bank applies a credit conversion factor of between 8% to 50% to the notional amount of the contracts depending on the type of currency and the residual maturity of the contract, compared to the Bank of Thailand's prescribed credit conversion factors of 2% and 5% for foreign exchange contracts and 0.5% and 1% for interest rate swap contracts with a residual maturity of less than one year and greater than one year, respectively.

The following table shows the credit equivalent of unmatured off balance sheet financial instruments:

| In Million Baht | | |
|---|--------------------------------|--------------------------------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | |
| | As at December 31, 2003 | As at December 31, 2002 |
| Forward foreign exchange contracts (foreign currencies) | 3,948 | 3,989 |
| Interest rate swap contracts | 760 | 510 |
| Avals to bills | 927 | 678 |
| Acceptances | 371 | 326 |
| Guarantees of loans | 105 | 183 |
| Performance guarantees | 793 | 591 |
| Bid guarantees | 345 | 357 |
| Import letters of credit | 887 | 1,044 |
| Others | 3,715 | 3,605 |
| Total | <u><u>11,851</u></u> | <u><u>11,283</u></u> |

Interest Rate Risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank and its subsidiaries in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Bank and its subsidiaries' assets, liabilities and equity, and in the mismatch in repricing dates of its assets and liabilities.

The Bank and its subsidiaries' exposure to interest rate risk showing the contractual repricing dates or maturity dates, whichever dates are earlier, and effective weighted average interest rates, where applicable, for classes of financial assets and financial liabilities subject to interest rate risk is set out below:

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Period to earlier of contractual repricing date or maturity

| | In Million Baht | | | | | | | Total | Weighted average effective interest rate per annum (%) |
|---|-------------------------|-----------------|-----------------------|---------------------|-----------|---------------------------|-------------------|---------|--|
| | As at December 31, 2003 | | | | | | | | |
| | Call | Within 3 months | More than 3-12 months | More than 1-5 years | > 5 years | Non-int bearing/Sensitive | Non-accrual loans | | |
| Financial assets | | | | | | | | | |
| Cash | - | - | - | - | - | - | - | 3,148 | n/a |
| Interbank and money market items-net | 7 | 4,808 | 34 | 53 | - | 1,838 | - | 6,740 | 0.79 |
| Securities purchased under resale agreement | - | 7,900 | - | - | - | - | - | 7,900 | 1.24 |
| Investments-net | - | 2,864 | 3,697 | 5,414 | 8,979 | 4,798 | - | 25,752 | 2.09 |
| Loans | 21,771 | 32,986 | 17,466 | 14,389 | 5,082 | - | 30,438 | 122,132 | 3.65 |
| Financial liabilities | | | | | | | | | |
| Deposits | 72,032 | 41,506 | 9,611 | 14,902 | - | 3,929 | - | 141,980 | 1.05 |
| Interbank and money market items | 1,776 | 298 | 490 | - | - | 1,491 | - | 4,055 | 0.77 |
| Liabilities payable on demand | - | - | - | - | - | 1,396 | - | 1,396 | n/a |
| Short-term borrowings | - | 900 | - | - | - | - | - | 900 | 6.33 |
| Long-term borrowings | - | - | 2,000 | 2,000 | - | 15 | - | 4,015 | 6.33 |

Note : No interest rate risk disclosure has been provided in respect of off-balance sheet financial instruments as they are not subject to interest rate risk.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Period to earlier of contractual repricing date or maturity

| | In Million Baht | | | | | | | Weighted average effective interest rate per annum (%) |
|---|-------------------------|--------------------------|------------------------|-----------|----------------------------------|----------------------|-------|---|
| | As at December 31, 2002 | | | | | | | |
| | Within 3 months | More than 3-12 months | More than 1-5 years | > 5 years | Non-int bearing/ Sensitive | Non-accrual loans | Total | |
| Financial assets | - | - | - | - | - | - | - | n/a |
| Cash | - | - | - | - | 3,265 | - | - | 3,265 |
| Interbank and money market items-net | 158 | 7,648 | 855 | - | 1,990 | - | - | 10,651 |
| Securities purchased under resale agreement | - | 300 | - | - | - | - | - | 300 |
| Investments-net | - | 3,787 | 982 | 3,539 | 2,518 | - | - | 22,176 |
| Loans | 25,695 | 26,469 | 9,914 | 15,773 | 6,370 | 30,083 | - | 114,304 |
| Financial liabilities | | | | | | | | |
| Deposits | 59,291 | 45,240 | 15,554 | 14,628 | - | 3,742 | - | 138,455 |
| Interbank and money market items | 513 | 242 | 194 | 20 | - | 526 | - | 1,495 |
| Liabilities payable on demand | - | - | - | - | - | 1,188 | - | 1,188 |
| Securities sold under repurchase agreement | - | 400 | - | - | - | - | - | 400 |
| Borrowings | - | - | 8 | 2,900 | 2,000 | 17 | - | 4,925 |

Note : No interest rate risk disclosure has been provided in respect of off-balance sheet financial instruments as they are not subject to interest rate risk.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Off-balance sheet financial instruments classified by maturity date, are as follows:

| In Million Baht | | | |
|--|---------------|------------------|--------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | |
| As at December 31, 2003 | | | |
| | within 1 year | more than 1 year | Total |
| Avals to bills and guarantees of loans | 488 | 543 | 1,031 |
| Forward foreign exchange contracts | 31,047 | - | 31,047 |

| In Million Baht | | | |
|--|---------------|------------------|--------|
| CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | | | |
| As at December 31, 2002 | | | |
| | within 1 year | more than 1 year | Total |
| Avals to bills and guarantees of loans | 351 | 509 | 860 |
| Forward foreign exchange contracts | 33,949 | - | 33,949 |

Maturities of financial assets and liabilities

Details of the maturities of financial instruments have been provided in the relevant notes to the financial statements.

Hedging

The Bank uses derivative financial instruments, including forward contracts and interest rate swaps, to manage the potential earnings impact of foreign currency movements and floating interest rates. The purpose of the Bank's hedging activities is to protect the Bank from the risk that net cash outflows will be affected by changes in exchange rates and risk from floating interest rates. The Bank enters into transactions to ensure that it is economically hedged in accordance with risk management policies. For qualifying hedge relationships, the Bank uses hedge accounting.

Each qualifying hedge accounting relationship is evidenced and driven by management's approach to risk management and the decision to hedge the particular risk. Where hedge accounting is applied, the Bank assesses, at the inception of the hedge relationship and on an on-going basis, whether the derivatives used as hedges are highly effective in offsetting the changes in the value or cash flows associated with the hedged item. A hedge is normally regarded as highly effective if changes in fair value or cash flows of the hedged item are expected to almost fully offset the changes in fair value or cash flows of the hedging instrument. The designation and effectiveness measurement follows the methodologies that management has in place for risk identification and measurement. The ineffective portion of any gain or loss on a hedging instrument is recognized in the income statement.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Estimated Fair Value of Financial Instruments

The fair values of financial instruments have been estimated by the Bank and its subsidiaries using available market information and appropriate valuation methodologies.

The following is a summary of carrying amounts and estimated fair values of financial instruments:

Amounts in Baht

As at December 31, 2003

| | CONSOLIDATED FINANCIAL STATEMENTS | | BANK ONLY FINANCIAL STATEMENTS | |
|---|--------------------------------------|-----------------|-----------------------------------|-----------------|
| | Carrying Amounts | Fair Value | Carrying Amounts | Fair Value |
| Financial assets : | | | | |
| Cash | 3,148,121,858 | 3,148,121,858 | 3,147,989,867 | 3,147,989,867 |
| Interbank and money market items | 6,739,516,155 | 6,739,516,155 | 6,659,923,297 | 6,659,923,297 |
| Securities purchased under resale agreements | 7,900,000,000 | 7,900,000,000 | 7,900,000,000 | 7,900,000,000 |
| Investments - net | 25,751,727,694 | 26,449,566,319 | 26,232,568,962 | 26,930,664,010 |
| Loans | 122,132,370,735 | 109,633,867,507 | 121,152,675,304 | 108,957,271,428 |
| Financial liabilities : | | | | |
| Deposits | 141,980,840,022 | 141,980,840,022 | 142,050,784,421 | 142,050,784,421 |
| Interbank and money market items | 4,054,926,605 | 4,054,926,605 | 3,228,543,382 | 3,228,543,382 |
| Liabilities payable on demand | 1,395,637,007 | 1,395,637,007 | 1,395,637,007 | 1,395,637,007 |
| Short-term borrowings | 900,344,650 | 958,760,089 | 900,344,650 | 958,760,089 |
| Long-term borrowings | 4,014,775,671 | 4,468,366,747 | 4,014,775,671 | 4,455,259,704 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | Amounts in Baht | | | |
|-----------------------------------|-------------------------|-----------------|-----------------|-----------------|
| | As at December 31, 2002 | | | |
| | CONSOLIDATED | | BANK ONLY | |
| | Carrying | Fair | Carrying | Fair |
| Amounts | Value | Amounts | Value | |
| Financial assets : | | | | |
| Cash | 3,264,613,897 | 3,264,613,897 | 3,264,525,615 | 3,264,525,615 |
| Interbank and money market items | | | | |
| -net | 10,650,722,931 | 10,650,722,931 | 10,587,504,049 | 10,587,504,049 |
| Securities purchased under resale | | | | |
| agreements | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| Investments-net | 22,176,182,388 | 22,386,921,857 | 22,533,806,370 | 22,744,545,839 |
| Loans | 114,303,738,057 | 107,595,168,716 | 114,404,439,608 | 107,863,698,021 |
| Financial liabilities : | | | | |
| Deposits | 138,455,302,376 | 138,351,468,289 | 138,532,613,492 | 138,428,779,405 |
| Interbank and money market items | 1,494,601,469 | 1,494,601,469 | 1,484,402,211 | 1,484,402,211 |
| Liabilities payable on demand | 1,187,756,390 | 1,187,756,390 | 1,187,756,390 | 1,187,756,390 |
| Securities sold under repurchase | | | | |
| agreements | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |
| Borrowings | 4,925,172,650 | 5,851,523,315 | 4,925,172,650 | 5,851,523,315 |

The fair values of off-balance sheet financial instruments are as follows:

| | In Million Baht | |
|--|---|------------|
| | CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | |
| | As at December 31, 2003 | |
| | Notional Value | Fair Value |
| Forward foreign exchange contracts (Foreign currencies) | 31,047 | 31,125 |

| | In Million Baht | |
|--|---|------------|
| | CONSOLIDATED AND BANK ONLY FINANCIAL STATEMENTS | |
| | As at December 31, 2002 | |
| | Notional Value | Fair Value |
| Forward foreign exchange contracts (Foreign currencies) | 33,949 | 33,966 |

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Methods and assumptions in estimating market value or fair value of financial instruments.

The following methods and assumptions were used by the Bank and its subsidiaries in estimating market value or fair value of financial instruments as disclosed herein:

Cash, interbank and money market items - The carrying amounts of cash and short-term instruments which have remaining maturities of less than 90 days or bear variable rates of interest approximate their fair value. Fair value for fixed rate instruments with remaining maturities greater than 90 days is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.

Securities purchased under resale agreements - The carrying value of securities purchased under resale agreements approximates fair value.

Investments - Fair value for securities is based on quoted market prices, where available. If quoted market prices are not available, market value is based on quoted market prices of comparable instruments after adjusting for risk involved or the net asset values of such securities.

Loans - For variable-rate loans that reprice frequently and have no significant change in credit risk, fair value is based on carrying values. The fair value of fixed rate loans that reprice within 90 days from the balance date is the carrying value at the balance sheet date. Fair value for other fixed interest rate loans is estimated using discounted cash flow analysis and using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Fair value of hire-purchase receivables is estimated by using discounted cash flow analysis and using interest rates currently being offered with average remaining years to maturity.

Accrued interest receivable - The carrying amount of accrued interest receivable approximates fair value.

Deposit liabilities - The fair value disclosed for deposits which are payable on demand by the depositor, is equal to the carrying value of such deposits. The carrying amounts of variable-rate, fixed-term money-market accounts, certificates of deposit (CDs) and fixed rate deposits repricing within 90 days approximate their fair value at the reporting date. Fair value for other deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregate expected monthly maturities on time deposits.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Interbank and money market items (Liabilities) - The carrying amount of interbank and money market items which have remaining maturities of less than 90 days and/or bear variable rates of interest approximates their fair value at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 90 days is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.

Securities sold under repurchase agreements - The carrying value of securities sold under repurchase agreements approximates fair value.

Borrowings - The fair value of borrowings is estimated using discounted cash flow analysis based on the average current borrowing rates for similar types of borrowing arrangements.

Financial assets carried in the financial statements at amounts in excess of their fair values represent fixed interest rate loans and debt instruments that are being held to maturity and non-listed equity investments that are being held for long term purposes. On the basis of the information available to the Bank's management as to the financial soundness of the respective corporations to which these assets relate and the provisions for loss that have already been made, it is management's opinion that the net carrying amounts of these assets, as reflected in the balance sheet, will be recovered.

Fair value of off-balance sheet financial instruments

Commitments to extend credit, letters of credit, aval and guarantees - These financial instruments are generally not sold or traded such that estimated fair values are not readily ascertainable. Fair value of these items was not calculated for the following reasons:

- (i) very few of the commitments extending beyond 90 days would commit the Bank to a predetermined rate of interest;
- (ii) the fees attaching to these commitments are the same as those currently charged to enter into similar arrangements; and
- (iii) the quantum of fees collected under these arrangements, upon which fair value would be determined, is not material.

Other off-balance sheet financial instruments

The fair values of foreign exchange contracts were obtained from quoted market prices.

BANK OF ASIA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

32. SUBSEQUENT EVENT

Financial Master Plan

On January 6, 2004, the Thai cabinet approved a financial master plan for the consolidation of the banking and finance sector in Thailand. Under the plan, the Bank's major shareholder will be limited to holding one banking license. Banks have been given 6 months to submit a plan for complying with the financial plan.

The Bank of Thailand is providing further clarification on the financial plan on an on-going basis and the Bank continues to assess the implications on its operations. There is no reason to believe that the financial plan and the associated regulations and actions affect the presentation of account balances as at December 31, 2003 and the results of operations for the year then ended.

33. RECLASSIFICATION OF ACCOUNTS

Certain comparative information for the year ended December 31, 2002 has been reclassified to conform with the presentation adopted for the year ended December 31, 2003.

Other Information

1. Companies in which Bank of Asia holds 10% or more of the number of paid up shares

1. BOA Asset Management Co., Ltd.

| | |
|------------------|--|
| Business: | Provides asset management for funds, including mutual funds (equity and fixed income) and provident funds |
| Location: | 5 th Fl., Bangkok City Tower Building, 179/6-10 South Sathon Road, Thungmahamek, Sathon, Bangkok 10120 |
| Tel: | +66 (0) 2679-5577 |
| Fax: | +66 (0) 2679-5571-5 |
| Paid-up Capital: | Baht 100,000,000 (10,000,000 ordinary shares) |
| BoA's Holding: | 99.99% |

2. BOA Leasing Co., Ltd.

| | |
|------------------|--|
| Business: | Provides leasing, car fleet management and factoring services, primarily to small and medium-sized companies |
| Location: | 29 th Fl., United Center Building, 323 Silom Road, Bangrak, Bangkok 10500 |
| Tel: | +66 (0) 2266-7290-9 |
| Fax: | +66 (0) 2266-7300 |
| Paid-up Capital: | Baht 800,000,000 (80,000,000 ordinary shares) |
| BoA's Holding: | 99.99% |

3. Asia Property Co., Ltd.

| | |
|------------------|---|
| Business: | In the process of liquidation |
| Location: | 8 th Fl., Bank of Asia Head Office Building, 191 South Sathon Road, Sathon, Bangkok 10120 |
| Tel: | +66 (0) 2285-1619 |
| Fax: | +66 (0) 2285-1501 |
| Paid-up Capital: | Baht 40,000,000 (400,000 ordinary shares) |
| BoA's Holding: | 99.99% |

4. Asia Leasehold Co., Ltd.

| | |
|------------------|---|
| Business: | In the process of liquidation |
| Location: | 8 th Fl., Bank of Asia Head Office Building, 191 South Sathon Road, Sathon, Bangkok 10120 |
| Tel: | +66 (0) 2343-4531 |
| Fax: | +66 (0) 2285-1501 |
| Paid-up Capital: | Baht 1,000,000 (10,000 ordinary shares) |
| BoA's Holding: | 99.93% |

5. AXA Insurance PCL

| | |
|------------------|--|
| Business: | Non-life insurance company |
| Location: | 23 rd Fl., Lumpini Tower Building, 1168/67 Rama IV Road, Thungmahamek, Sathon, Bangkok 10120 |
| Tel: | +66 (0) 2285-6376-82 |
| Fax: | +66 (0) 2285-6383 |
| Paid-up Capital: | Baht 352,642,100 (3,526,421 ordinary shares) |
| BoA's Holding: | 22.06% |

6. ASIA Dhanavadh Warehouse Co., Ltd.

| | |
|------------------|---|
| Business: | Provides warehousing services |
| Location: | 2194/97 Charoen Krung Road, Bang Khoe Laem, Bangkok 10120 |
| Tel: | +66 (0) 2289-4610-1 |
| Fax: | +66 (0) 2291-9860 |
| Paid-up Capital: | Baht 30,000,000 (30,000 ordinary shares) |
| BoA's Holding: | 13.33% |

7. Piyalai Holdings Co., Ltd.

| | |
|------------------|--|
| Business: | Engages in activities related to properties and real estate developments |
| Location: | 22 nd Fl., Wall Street Tower Building, 33/114 Surawong Road, Bangkok 10500 |
| Tel: | +66 (0) 2233-1666 Ext. 2220-1 |
| Fax: | +66 (0) 2233-3895 |
| Paid-up Capital: | Baht 600,000,000 (6,000,000 ordinary shares) |
| BoA's Holding: | 10.00% |

8. Advance CCC Services Co., Ltd.

| | |
|------------------|---|
| Business: | Provides debt collection services |
| Location: | 8 th Fl., Bank of Asia Head Office Building, 191 South Sathon Road, Sathon, Bangkok 10120 |
| Tel: | 0-2343-3400 |
| Fax: | - |
| Paid-up Capital: | Baht 2,000,000 (200,000 ordinary shares) |
| BoA's Holding: | 10.00% |

9. High Rise Development Co., Ltd.

Business: Provides services apartment
Location: J.B. Place Building,
189 Sukhumvit 21 Road, Klong Toey Nuar, Wattana, Bangkok 10110
Tel: +66 (0) 2670-0791-3
Fax: -
Paid-up Capital: Baht 135,462,320 (13,546,232 ordinary shares)
BoA's Holding: 76.21% (from debt restructuring)

10. N.Y. Sugar Co., Ltd.

Business: Sugar mill
Location: 164 Soi Sukhumvit 23 (Prasarnmitt), Sukhumvit Road, Klong Toey Nuar,
Wattana, Bangkok 10110
Tel: +66 (0) 2260-4951-9
Fax: +66 (0) 2260-4950
Paid-up Capital: Baht 900,000,000 (90,000 ordinary shares)
BoA's Holding: 30.00% (from debt restructuring)

11. Distar Electric Corporation PCL

Business: Manufacturer and distributor of electrical appliances
Location: 214 5th Fl., Wongwienyai, Latya Road, Khlong San, Bangkok 10600
Tel: +66 (0) 2437-0367, +66 (0) 2437-1915
Fax: +66 (0) 2437-7861
Paid-up Capital: Baht 230,000,000 (23,000,000 ordinary shares)
BoA's Holding: 15.00% (from debt restructuring)

2. Directors and Senior Managements

2.1 Information on Directors and Senior Managements

| Name | Education | Position | Position/ Experience |
|------------------------------|-----------------|--|---|
| 1. Chavalit Thanachanan | Bachelor Degree | Position 1997- Present 1999 - Present 2001- Aug 03 | Chairman of the Board of Directors (Authorised Signature) Chairman of the Board of Directors, Bank of Asia PCL Chairman, Institute of Directors Chairman, The Stock Exchange of Thailand (SET) |
| 2. Ammar Siamwalla | Doctorate | Position Nov 03 - Present 2000 - Nov 03 | Director (Authorised Signature) and Chairman of the Audit Committee Director and Chairman of the Audit Committee Director and Director of the Audit Committee, Bank of Asia PCL |
| 3. Chulakorn Singhakowin | Master Degree | Position 1992 - Present | Director (Authorised Signature) and President & CEO President & CEO, Bank of Asia PCL |
| 4. Felix Alexander van Kleef | Master Degree | Position 2002 - Present * 2002 - Present 2001 1999 | Director Director, Bank of Asia PCL EVP, C&CC, Special Projects SBU, ABN AMRO Bank C&CC Clients SBU/BU Rest of World, CEO LA (Spanish Speaking), Sao Paulo, EVP, C&C Clients SBU, Regional Manager Advisory Branches Utrecht, ABN AMRO Bank Regional Manager Latin America, Sao Paulo, ABN AMRO Bank |
| 5. Herman Mulder | Master Degree | Position 1998 - Present 1998 - Present | Director Director, Bank of Asia PCL Senior Executive Vice President, ABN AMRO Bank |
| 6. James Stent | Master Degree | Position 2002 - Present 2002 - Present 1998 - 2002 | Director and Director of the Audit Committee Director and Director of the Audit Committee, Bank of Asia PCL International Water Management Institute, Beijing, China Senior Executive Vice President, Bank of Asia PCL |

* Resigned from directorship effectively on January 5th, 2004.

| Name | Education | Position | Position/ Experience |
|-----------------------------|-----------------|---|---|
| 7. Jan Peter Schmittmann | Master Degree | Position 2002 - Present 2001 - Present 2000 - 2001 1998 - 2000 | Director Director, Bank of Asia PCL SEVP, Private Clients Asset Management, SBU/Private Clients and Consumer & Commercial Clients, SBU/New Growth Markets, ABN AMRO Bank SEVP, Consumer & Commercial Clients, SBU/New Growth Markets, ABN AMRO Bank EVP, Netherlands/ Special Credits, ABN AMRO Bank |
| 8. Jerry Letendre | Bachelor Degree | Position 2002 - Present 2001 - Present 1999 - 2000 1999 1998 - 1999 | Director Director, Bank of Asia PCL Chief Executive Officer, Greater China, ABN AMRO Consumer & Commercial Bank (Taipei Head Office) Regional Vice President, Citibank - Asia Pacific Consumer Bank (Singapore) Vice President, Citibank - Japan Consumer Bank (Tokyo) Regional Vice President, Citibank - Asia Pacific Consumer Bank (Singapore) |
| 9. Paul C.A. Lembrechts | Master Degree | Position 2002 - Present 2000 - Present 1995 - 1999 | Director Director, Bank of Asia PCL Managing Director Business Development Private Clients / New Growth Markets, ABN AMRO Bank General Manager Group Marketing, Generale Bank |
| 10. Pichai Vasanong | Bachelor Degree | Position Nov 03 - Present 2001 - Nov 03 2000 - Present 1999 - Present | Director (Authorised Signature) and Director of the Audit Committee Director of the Audit Committee Chairman of the Audit Committee, Bank of Asia PCL Honourary Member, Institute of Directors Director, Bank of Asia PCL |
| 11. Chitraporn Tangsuwan | Master Degree | Position 2001 - Present 1995 - 2001 | Senior Executive Vice President - Operations Group Senior Executive Vice President Executive Vice President, Bank of Asia PCL |
| 12. Gert Jan van der Putten | Master Degree | Position 2002 - Present 1979 - 2001 | Senior Executive Vice President - Risk Management Group Senior Executive Vice President, Bank of Asia PCL ABN AMRO Bank |
| 13. Chris Power | Master Degree | Position 2000 - Present 1998 - 2000 1994 - 1998 | Executive Vice President - Finance Division Executive Vice President Senior Vice President, Bank of Asia PCL ABN AMRO Bank |

| Name | Education | Position | Position/ Experience |
|----------------------------|-----------------|--|--|
| 14. Egge de Vries | Bachelor Degree | Position 2000 - Present 1989 - 2000 | Executive Vice President - Treasury Management Division Executive Vice President, Bank of Asia PCL ABN AMRO Bank |
| 15. Jonathan Truslow | Master Degree | Position 2001 - Present 2000 - 2001 1997 - 2000 | Executive Vice President- Strategy and Research Division Executive Vice President, Bank of Asia PCL Deloitte Consulting, Bangkok Booz Allen & Hamilton |
| 16. Ko van der Meer | Master Degree | Position 2001 - Present 1972 - 2000 | Executive Vice President - Audit Division Executive Vice President, Bank of Asia PCL ABN AMRO Bank |
| 17. Lloyd William Rolston | Bachelor Degree | Position Jul 03 - Present 2002 - Jul 03 1998 - 2001 | Executive Vice President - Risk Management Division Executive Vice President, Bank of Asia PCL Senior Vice President - Group Risk Management, ABN AMRO Bank N.V. (The Netherlands) Vice President - Country Risk Officer, ABN AMRO Bank N.V. (Indonesia) |
| 18. Ngamjitt Sirijindalert | Master Degree | Position Apr 03 - Present 2000 - Apr 03 1999 1998 - 1999 | Executive Vice President - Centralized Information Management Division Executive Vice President Senior Vice President, Bank of Asia PCL GE Capital (Thailand) Ltd. Bank of Asia PCL |
| 19. Peter Chow | Bachelor Degree | Position Jun 03 - Present 2001 - 2002 1997 - 2000 | Executive Vice President - Product & Marketing Division Executive Vice President, Bank of Asia PCL BeXcom Pte Ltd, Singapore Executive Vice President, ABN AMRO Bank, Asia Pacific |
| 20. Pimolrat Tangkosakul | Master Degree | Position 2000 - Present 2000 1999 - 2000 1994 - 1999 | Executive Vice President - Human Resources Division Executive Vice President Senior Vice President, Bank of Asia PCL Coca Cola Service Asia Ltd. Inchcape (Thai) Ltd. |
| 21. Somkid Jiranuntarat | Master Degree | Position Apr 03 - Present 2002 - Apr 03 2001 - 2002 1990 - 2000 | Executive Vice President- Information Technology Division Executive Vice President Senior Vice President, Bank of Asia PCL SETTRADE.COM Co., Ltd. The Stock Exchange of Thailand (SET) |

| Name | Education | Position | Position/ Experience |
|---------------------------|-----------------|---|---|
| 22. Tarissa Tanjasiri | Bachelor Degree | Position Mar 03 - Present 1998 - Mar 03 | Executive Vice President- Commercial Sales Division Executive Vice President, Bank of Asia PCL Citibank N.A. |
| 23. Thammasak Jittimaporn | Master Degree | Position 2001 - Present 1995 - 2001 | Executive Vice President - Retail Sales and Customer Services Division Executive Vice President, Bank of Asia PCL Green Spot (Thailand) Ltd. |
| 24. Vilawan Vanadurongvan | Master Degree | Position 1997 - Present 1994 - 1997 | Executive Vice President - e-Channels and Business Enhancement Division Executive Vice President Senior Vice President, Bank of Asia PCL |

2.2 Shares in Bank of Asia's subsidiaries and associated companies held by Senior Management

| | Asia Leasehold | BOA Asset Management |
|-------------------------|----------------|----------------------|
| 1. Chitraporn Tangsuwan | 1 | - |
| 2. Jonathan Truslow | - | 1 |

3. Director's and Senior Management's remuneration in 2003

| | | Remuneration (Baht) | |
|----------------------------------|--------------|---------------------|----------------|
| Directors' remuneration | | | |
| • Board of Directors | (4 persons) | Salaries | 5,400,000 |
| • Audit Committee | (3 persons) | Meeting allowance | <u>400,000</u> |
| | | Total | 5,800,000 |
| Management's remuneration | | | |
| • Management | (51 persons) | Total | 302,186,000 |
| | | Other benefits | - |

4. Structure of Group's revenue

| Type of service Type of revenue | Served by Holding by Bank of Asia | 2003 | | 2002 | | 2001 | |
|--|---|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| | | Amounts in Baht | % of total revenue | Amounts in Baht | % of total revenue | Amounts in Baht | % of total revenue |
| Interest and dividend income | Bank of Asia | 6,067,470,460 | 94.08 | 6,576,822,750 | 107.64 | 7,003,372,197 | 139.53 |
| | BOA Asset Management | 819,521 | 0.01 | 499,848 | 0.01 | 555,922 | 0.01 |
| | BOA Leasing | 160,538,079 | 2.49 | 90,211,767 | 1.48 | 79,723,461 | 1.59 |
| | BOA Finance | - | 0.00 | - | 0.00 | 24,449,392 | 0.49 |
| Total interest and dividend income | | 6,228,828,060 | 96.58 | 6,667,534,365 | 109.13 | 7,108,100,972 | 141.61 |
| Interest expenses | | 2,383,071,569 | 36.95 | 3,026,007,575 | 49.53 | 3,820,168,545 | 76.11 |
| Net interest and dividend income | | 3,845,756,491 | 59.63 | 3,641,526,789 | 59.60 | 3,287,932,427 | 65.50 |
| Bad debt and doubtful accounts and loss on debt restructuring | | 57,864,228 | 0.90 | (4,456,047,670) | (72.93) | (4,317,941,848) | (86.03) |
| Fees and service income | Bank of Asia | 1,266,534,636 | 19.64 | 1,238,321,379 | 20.27 | 914,738,970 | 18.22 |
| | BOA Asset Management | 161,076,784 | 2.50 | 90,488,593 | 1.48 | 66,823,948 | 1.33 |
| | | 1,427,611,419 | 22.14 | 1,328,809,971 | 21.75 | 981,562,918 | 19.56 |
| Gain on exchange | Bank of Asia | 349,634,148 | 5.42 | 256,668,704 | 4.20 | 240,580,531 | 4.79 |
| | | 349,634,148 | 5.42 | 256,668,704 | 4.20 | 240,580,531 | 4.79 |
| Investment in securities | Bank of Asia | 312,327,185 | 4.84 | 461,946,414 | 7.56 | 224,968,232 | 4.48 |
| | BOA Asset Management | - | - | - | - | 1,613,394 | 0.03 |
| | BOA Finance | - | - | - | - | 39,560,202 | 0.79 |
| | | 312,327,185 | 4.84 | 461,946,414 | 7.56 | 266,141,828 | 5.30 |
| Other income | Bank of Asia | 286,517,459 | 4.44 | 220,323,007 | 3.61 | 101,567,362 | 2.02 |
| | BOA Asset Management | 1,771,818 | 0.03 | 505,100 | 0.01 | 628,307 | 0.01 |
| | BOA Leasing | 225,562,387 | 3.50 | 199,708,351 | 3.27 | 138,654,194 | 2.76 |
| | Asia Property | - | 0.00 | 484,454 | 0.01 | 1,264,931 | 0.03 |
| | BOA Finance | - | - | - | - | 1,063,415 | 0.02 |
| | | 513,851,664 | 7.97 | 421,020,911 | 6.89 | 243,178,210 | 4.84 |
| | | 6,449,180,906 | 100.00 | 6,109,972,790 | 100.00 | 5,019,395,914 | 100.00 |

Remarks: Bank of Asia sold all shares of BOA Finance in December 2001

5. Related Party Transactions

Details of all related-party transactions are disclosed in the Note 7 and 24 in the Financial Statements.

Risk Factors & Risk Management

As was stated in the Chairman and President's message at the start of this annual report, 2003 was a turnaround year for Thailand as we turned our back on the worst effects of the economic crisis and started looking forward to growth. The crisis caused great turmoil in the banking sector but, at the same time taught us valuable lessons in the management of risk. Bank of Asia has ensured that these lessons have been used to improve our risk management capabilities and has implemented a comprehensive risk management system across the Bank. With the assistance of our major shareholder ABN AMRO we continue to develop our risk management system and ensure that it meets international best practice as well as complying with the increasing standards of Bank of Thailand.

To this end two new committees were established in 2003, the Corporate Risk Management Committee and the Basel II Committee.

The Corporate Risk Management Committee was established in accordance with the Bank of Thailand directive to set up a committee to advise the board of directors on all aspects of risk policy. The committee co-ordinates the activities of the various risk committees and units which are described later in this report, reviews the adequacy and operation of risk management policies and sets limits on overall bank risk exposure on behalf of the board.

The Basel II Committee was established to prepare the Bank for the implementation of the Basle II Capital Accord expected in 2007. Although this remains several years in the future, obtaining the lowest capital requirements under the accord will require the Bank to prepare five to seven years of credit data and so planning has already begun. The basic tools and methodologies to capture the risk components, including probability of default and loss given default, began to be introduced in the 4th quarter of 2003. Implementation will continue into 2004 with IT system upgrades and the development of a risk data warehouse to store and analyze the data captured.

Bank of Asia Risk Management System

Credit Risk Management

Credit risk is the risk of a borrower or a counterparty failing to or being unable to fulfill his/her obligations to the Bank. Credit risk is managed by:

1. The Risk Management Committee

The committee focuses on managing the credit risk of the Bank's Small and Medium Enterprise customers. It considers and, where appropriate, approves credit proposals, establishes overall commercial credit policy, determines commercial risk management procedures, and, where necessary, delegates credit approval authority by appointing various risk management sub-committees.

2. The Consumer Risk Management Committee

The committee focuses on consideration and approval of consumer lending programs and monitoring the quality of consumer credit product portfolios.

3. Risk Analysis Division

The Risk Analysis Division is entirely independent of the sales function of the Bank and has the following roles and responsibilities

- Analyzing credit proposals prepared by the marketing unit and providing independent recommendations to the Risk Management Committee. Credit analysts provide the Risk Management Committee or the relevant sub-committee with their credit advice on various issues including the industry risk, the borrower's business risk, financial risk and the structural risk of the credit facilities. The analysts also assess whether the proposed credit facilities are at levels acceptable to the Bank. If warranted, a recommendation to change the credit facility structure, collateral and/or other conditions may be made for risk mitigation purposes.
- Proposing risk management policy, procedures and processes for further consideration by the Risk Management Committee.
- Reporting on various aspects of the Bank's loan portfolio to the Risk Management Committee. The reports are aimed to assist the committee evaluate the composition and credit quality of the portfolio in relation to the Bank's overall business plan and risk profile.

4. Risk Inspection and Trading Risk Management Division

The division's credit responsibilities include:

- Monitoring the Bank's risk management processes to ensure compliance with Bank of Asia and Bank of Thailand rules and regulations to properly report required risk management information.
- Establishing credit limits as recommended by Risk Management Committee, or any of the sub-committees.
- Ensuring that the proper safekeeping and control of credit, legal, and collateral documentation.

5. Appraisal Department

In managing the risk associated with changes in collateral value, the Bank's Appraisal Department usually assesses the value of collateral and proposes to the Appraisal Committee for approval. It is the Bank's practice to use distressed or forced sale value that is often considerably lower than fair market value, when considering requests for credit.

Market Risk Management

Market risk is the risk of loss from adverse market movements arising from changes in interest rates, foreign exchange rates or the prices of securities. Market risk is managed by:

1. The Asset and Liabilities Committee (ALCO)

The committee sets policy and guidelines to manage the overall risks of the Bank arising from products that are likely to be affected by interest rate or exchange rate changes, and approves the limits on these products.

2. Treasury Management Division

The unit oversees the tactical execution of the committee's policies and the day-to-day management in accordance with the strategic direction and limits approved by ALCO.

3. Treasury Services Department

This department ensures that operations are carried out in line with the Treasury trader's instructions, confirming/validating contracts with counter parties, and effecting settlement.

4. Trading Risk Management Unit

The unit is responsible for monitoring exposures against limits set, and reporting any instances where these limits are exceeded, as well as ensuring that the rules and regulation of Bank of Asia and the Bank of Thailand concerning the trading of foreign currency and financial instruments are properly followed.

In monitoring and controlling market risk, the Bank utilizes the following combination of measurements and methodologies:

- The daily monitoring of marked-to-market valuation of all trading portfolios.
- The daily monitoring of the exposures of the trading and investment portfolios of each business against established limits.
- The daily monitoring of Value at Risk (VaR) of each trading product as well as total VaR.
- Daily “stress testing” of portfolios against rate changes.

Liquidity Risk Management

Liquidity risk is the risk of not being able to close out exposures in times of market stress and/or lack of liquidity in the underlying markets.

The principal units responsible for liquidity management are:

1. The Asset and Liabilities Management Committee (ALCO)

The committee reviews and considers the liquidity position of the Bank, strategies for liquidity management, as well as economic, political and market conditions that may impact the liquidity status or operation of the Bank.

2. Treasury Management Division

The division engages in day-to-day liquidity management, following guidelines approved by ALCO, and manages the investment of any excess liquidity in appropriate financial instruments.

The Bank regularly reviews its liquidity management policy and action plan, and promptly responds to any material change in the Bank’s business strategy, in order to adapt its policy and plans to conform to the changed circumstances. The action plan includes:

- Strategy for liquidity management
- Dedicated units responsible for liquidity management in both normal operations and in times of a crisis
- Limits or benchmarks for monitoring liquidity risk
- Structure of appropriate sources and uses of fund
- Contingency plans for handling any given liquidity crisis scenario
- Communication plans for dealing with rumors and protecting the Bank’s image

Operational Risk Management

Operational risk can be defined as the risk of a loss as a result of shortcomings in the organizational structure, and/or system, and/or human errors, leading to a failure to realize the operational objectives.

To minimize the possibility of operational losses and to exercise control of operational risk to meet the Bank of International Settlement requirements, the Bank has implemented an operational risk management system managed by the Operational Risk Management Steering Committee. The committee, which is chaired by the President, and also includes members from key units of the Bank, monitors and manages strategies by identifying risks, measuring and accessing risk implement controls measures, as well as monitoring, and reporting the risks.

The approaches used include:

- Risk Self-Assessment (RSA): a structured way for a business unit and/or process owner to identify and access its own risks and introduce measures aimed at improving operational risk control.
- Corporate Loss Database (CLD): a web based tool for storing data on the Bank's operational losses.
- Other Risk Approval Processes (ORAP): a controlled sign-off approach to any new project, new products, systems or major change in the organization or any key process that may have impact on operational, legal or reputational risks.
- Key Risk Indicators (KRI): provides information within certain processes that help predict specific risks, thereby avoiding or limiting potential losses.

Report of the Board of Directors

The Board of Directors is responsible for the consolidated financial statements of Bank of Asia Public Company Limited and its subsidiaries and for the financial information presented in this annual report. The aforementioned financial statements were prepared in accordance with accepted accounting standards defined by the Institute of Certified Accountants and Auditors of Thailand, applying appropriate and consistent accounting policies and with careful judgement and best estimates. Important information is adequately disclosed in the notes to financial statement.

The Board of Directors has appointed an Audit Committee comprising independent directors responsible for the quality of financial statements and internal control system, whose comments on these issues are adequately included in the Audit Committee Report in this annual report.

The Board of Directors has provided for and maintained an efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect the Bank's assets and uncover weaknesses in order to prevent operational risk or materially irregular operations.

The Board of Directors is of the opinion that the Bank's overall internal control system is at an appropriate level and provides credibility and reliability to the consolidated financial statements and the financial statements of the Bank and its subsidiaries for the year ended December 31, 2003.



(Chavalit Thanachanan)
Chairman



(Chulakorn Singhakowin)
President

Report of the Audit Committee

The Audit Committee of Bank of Asia comprises three independent directors: Mr. Ammar Siamwalla, the Chairman, Mr. Pichai Vasanong and Mr. James Stent as Committee members. All Committee members are non-executive directors and non-employees of the Bank.

In the year 2003, the Committee held four meetings to review the Bank's internal controls and discussed financial and operational audit issues with the internal auditors and the Bank's external auditors. Relevant management members were invited to attend the meetings to provide additional information and clarification of the internal control systems.

Major matters discussed were as follows:

- Review the major items of the financial reports and review the reliability of those reports
- Approve and monitor the Internal Audit Year Plan
- Acknowledge major audit findings regarding the compliance with internal and external regulations
- Acknowledge the quarterly audit reports and major findings reported by the Bank's Audit Division
- Review the adequacy and effectiveness of the Bank's internal control systems by discussion with the senior management regarding the Assessment on the Adequacy of the Internal Control System
- Review the reasonableness of the connected transactions
- Propose the Bank's external auditor and audit fees to the Board of Directors.

The Committee has continually reviewed and assessed the Bank's key risks, controls and monitoring system through the Bank's Audit Division and by discussion with external auditor and senior management. From the evaluation of the Bank's internal control system, it concluded that the Bank's internal controls in the area of financial reporting and risk management are adequate and reliable and that the Bank continues to improve the overall control framework for all divisions within the Bank.

The Committee has considered and proposed to the Board of Directors that Mr. Thirdthong Thepmongkorn of KPMG Phoomchai Audit Limited to be nominated as the Bank's auditor for the year 2004 with a Baht 6.7 million fee for the Bank. The matter will be put forward to the shareholders' meeting for its approval.



Ammar Siamwalla

Chairman of the Audit Committee

(Succeeded Mr. Pichai Vasanong since November 21, 2003)

February 19, 2004

Opinion of the Audit Committee on the Bank's Internal Control System

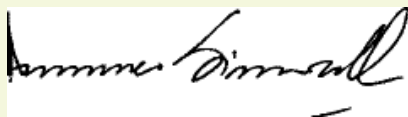
The Board of Directors has reviewed the opinion and the Assessment Form on the Adequacy of Internal Control System prepared by the Audit Committee during the Board of Directors' Meeting no. 543 held on February 19, 2004. Participants in the meeting included the Audit Committee members comprising the three independent directors and non-employees of the Bank.

The Audit Committee's opinion on the internal control system of the Bank and its subsidiaries was summarized from the evaluation of the Bank's internal control system in five sections as follows:

- Organization Control and Environment Measure
- Risk Management Measure
- Management Control Activities
- Information and Communication Measure
- Monitoring

The Audit Committee is of the opinion that the Bank has in place an adequate internal control system. The Audit Committee has been regularly notified of ongoing issues as they arise.

The auditor of the Bank is Mr. Thirdthong Thepmongkorn, certified public accountant of KPMG Phoomchai Audit Limited which examined the Financial Statements as at December 31, 2003. KPMG has given the opinion in the Audit Report as at the year ended December 31, 2003 that the financial statements present fairly, in all material respects, the financial position of the Bank, the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.



Ammar Siamwalla

Chairman of the Audit Committee

(Succeeded Mr. Pichai Vasanong since November 21, 2003)

Corporate Governance

Bank of Asia fully recognizes the importance of developing and adhering to best corporate governance practice. As a member of ABN AMRO, Bank of Asia has enthusiastically adopted and implemented the corporate governance standards of its parent. ABN AMRO is listed on major stock markets in Amsterdam, London and New York, and is obligated to meet with the corporate governance standards of these major markets, which are among the strictest in the world. Furthermore, Bank of Asia has given unequivocal support, and has adopted all of the Stock Exchange of Thailand's (SET) fifteen principles of Good Corporate Governance as recommended in the August 2001 "Report on Corporate Governance", as detailed below.

The most noticeable development in the area of Corporate Governance for Bank of Asia during 2003 has been the well-received launch of the Bank's Investor Relations web site (www.BankAsia4U.com/Investors). The site was developed to maximize transparency between the Bank and its stakeholders and provides many details of the Bank's policies, operations and financial standing. The site is continually refreshed and updated and the number of visitors has tripled since its launch in September.

1. Policy on Corporate Governance

We believe that best practice in corporate governance promotes the interests of the Bank as a whole, as well as supporting a sustainable business culture and working environment.

The Board, the management and the employees base their operational functions on integrity, respect, teamwork and professionalism in the best interests of both the Bank and in terms of accountability to our shareholders.

2. Shareholders: Rights and Equitable Treatment

The Board organizes an Annual Shareholders' Meeting every April to inform and to ensure equal treatment for all shareholders. Our policy ensures that shareholders' meetings are readily accessible and all shareholders receive reasonable notice of any impending shareholders' meetings and have adequate time to study the meeting agenda.

3. Various Groups of Shareholders

Bank of Asia has had a significant role in Thai Society for a long time, with a wide range of stakeholders that include not only its Board of Directors, management, employees, business partners, shareholders, external auditors and government agencies but more than one million customers. Internally, the Board recognizes that it is vital to strike the right balance between the rights and claims of management, the Board, the shareholders, and clients, as well as those of the employees.

4. Shareholders' Meetings

Shareholder meetings are conducted in a free and open fashion. The agenda for shareholder meetings is circulated to all shareholders at least 7 days in advance and questions and comments are encouraged at the meeting.

5. Leadership and Vision

The Board of Directors' duties are to set out the Bank's policies and operational objectives. These include overseeing management to ensure they operate in accordance with the Bank's policies, relevant laws, articles of association and any policies passed at shareholders' meetings. Electing an independent director as Chairman of the Board is a Bank policy. The Board itself manages the Bank through the Executive Committee whose main responsibility involves monitoring the Bank's progress in carrying out the business plan.

A Management Committee is responsible for determining the Bank's strategy for achieving its operational objectives. This committee also approves the Bank's financial budget and major investments as well as supervising and monitoring the progress of work done in each business group, plus other committees or working groups appointed for specific projects.

6. Conflicts of Interest

The Bank regards conflicts of interest as a factor that can have a profoundly negative impact on the Bank's good reputation as well as being contrary to Bank policy, which is to operate its various businesses with integrity, transparency, morality and good business ethics.

7. Business Ethics and Supervision of the Use of Inside Information

The Bank established a Code of Conduct in 2002 as a set of principles that apply to employees at all levels in regard to not only investment in securities, but also in relation to gifts and entertainment, the prevention of money-laundering, and external functions and employment. To avoid any conflicts of interest, all employees are required to follow this code of conduct under the supervision and control of the Bank's Office of Compliance. The Office of Compliance is responsible for giving consultation, training and supervision of the Code of Conduct and promoting its content to all employees as part of the Bank's organizational culture from the very beginning of their employment.

Both the Board of Directors and senior management fully understand and appreciate the vital role of confidentiality in regard to the Bank's inside information. The Bank places comprehensive restrictions on the disclosure and use of inside information to ensure confidentiality for the Bank, its clients and business partners. Using such information for individual benefit is strictly prohibited.

In fact, the restriction on disclosure and use of inside information for individual benefit is integral to the Bank's Code of Conduct, and included in the Rules and Regulations for Securities Investment used by the Bank's staff. They are strictly prohibited from using any confidential information for selling, buying, and transferring of securities issued by the Bank prior to general public disclosure, in line with the laws and regulations on securities business. The Board and senior management are obligated to report any securities investments by the Bank to the Office of the Securities and Exchange Commission on every occasion that there is any selling, buying, or transfer of securities issued by the Bank.

8. Balance of Power for Non-executive Directors

The Board of Directors' meetings take place once every three months in line with the Public Limited Companies Act B.E. 2535. As at 31 December 2003 the Board comprised of ten directors, with the chairman and two others as independent directors, one executive director who is also the President and CEO, and six non-executive directors. No fewer than half of the total constitute a quorum for meetings.

9. Aggregation or Segregation of Positions

Different persons will occupy the positions of Chairman, and President/CEO. The Chairman of the Bank will be an independent and non-executive director. The President/CEO will serve as the head of the Management Committee that is responsible for implementing and fulfilling the business plan.

10. Remuneration for Directors and the Management

Remuneration for the directors and top management is reviewed by the Compensation Committee and recommended to the Board for approval. It is the policy of the Compensation Committee to set remuneration in line with market practice. Any increases in directors fees are also proposed to the shareholders for approval.

11. Board of Directors Meetings

The Secretary of the Board is obliged to send an invitation to board members to attend the meeting at least seven days prior to the date of the meeting. However, in the case of an urgency, a meeting can take place at an earlier time using direct methods for sending the invitation. The minutes of the meeting shall be kept at the Bank's Head Office.

The Bank's Board of Directors held four meetings during 2003, for which the details of attendance is as follows:

| | Meeting attended |
|------------------------------|------------------|
| 1. Chavalit Thanachanan | 4 |
| 2. Ammar Siamwalla | 4 |
| 3. Chulakorn Singhakowin | 4 |
| 4. Felix Alexander van Kleef | 3 |
| 5. Herman Mulder | 3 |
| 6. James Stent | 4 |
| 7. Jan Peter Schmittmann | 4 |
| 8. Jerry Letendre | 3 |
| 9. Paul C.A. Lembrechts | 4 |
| 10. Pichai Vashnasong | 4 |

12. Committees

The Board has established audit and compensation committees, both of which are chaired by independent directors. In addition the Bank has complied with the recent Bank of Thailand directive to establish a high level risk committee (The Corporate Risk Management Committee) to make recommendations to the Board of Directors on all types of risk facing the Bank. Full membership details of all three committees are given on page 134-135.

13. Controlling System and Internal Audit

The Board of Directors has recognized the critical importance of having good internal control systems, risk management, compliance and internal audit. Besides setting up a Crisis Management Team and IT Steering Committee in 2002, the Bank also established an Operational Risk Management Steering Committee in addition to the six existing committees, with each committee responsible for a business unit, in order to ensure the Bank objectives are accomplished. The Operational Risk Management Steering Committee has been instructed to reduce the level of risk in day-to-day banking activities, maintain the Bank's reputation as well as prepare for the new Bank of International Settlement's (BIS) regulations that will come into force in the near future.

The Audit Division is an independent unit that reports directly to (the Chairman of) the Board. The Audit Committee is responsible for reviewing and assessing the Bank's key risk control mechanisms, as well as monitoring the internal audit system through the Audit Division. ABN AMRO Bank, as our major shareholder, has endorsed these auditing operations, which are based on its standards.

14. Directors Reporting

The Board of Directors report is given on page 126.

15. Relations with Investors

The Bank has established an investor relations unit in 1999, which represents the Bank in communications with shareholders, rating agencies, stock analysts and other interested parties. To ensure even greater levels of communication and transparency the Bank launched an investor relations web site in 2003. The site provides comprehensive details of Bank performance and policy.

Management Structure

The Bank's management structure consists of the Board of Directors, Executive Committee, Audit Committee and Compensation Committee. In addition, the Bank has instated other major committees to direct various businesses of the Bank. These are the Management Committee, Assets and Liabilities Committee (ALCO), Risk Management Committee, Financial Restructuring & Recovery Committee, Operational Risk Management Steering Committee, IT Steering Committee and Crisis Management Team. In which the four new committees during this year are Asset Valuation and Provisioning Committee, Business Strategy and Performance Committee, Consumer Risk Management Committee and Corporate Risk Management Committee.

Board of Directors

The Board of Directors comprises at least seven directors, three of whom are independent directors. The Board meets at least once every three months and no fewer than half of the total number constitute a quorum for meetings.

The Board of Directors' duties are to set the Bank's policies and operational objectives, and to oversee management to ensure it operates in accordance with the Bank's policies, relevant laws, articles of association, and the shareholders' resolutions.

The Board of Directors consists of:

| | | |
|--------------|-----------------------|---------------------------------|
| 1. Chavalit | Thanachanan | Chairman (Independent Director) |
| 2. Ammar | Siamwalla | Independent Director |
| 3. Chulakorn | Singhakowin | Director |
| 4. Felix | Alexander van Kleef * | Director |
| 5. Herman | Mulder | Director |
| 6. James | Stent | Director |
| 7. Jan Peter | Schmittmann | Director |
| 8. Jerry | Letendre | Director |
| 9. Paul | C.A. Lembrechts | Director |
| 10. Pichai | Vasnasong | Independent Director |
| Ekchai | Chansue | Secretary |

** Resigned from the directorship effective on January 5th, 2004*

Audit Committee

The Audit Committee is nominated by the Board of Directors. Its main responsibilities are to ensure that the Bank has an adequate internal audit system and operates in accordance with the regulations imposed by the Securities and Exchange Commission and other governing laws. The committee is also responsible for the nomination of the Bank's auditors, determining the auditors' remuneration and for the accuracy of the disclosure of information on related-party transactions or transactions where conflict of interest may occur.

The committee consists of:

| | | |
|-----------|--------------|-----------|
| 1. Ammar | Siamwalla | Chairman |
| 2. James | Stent | Director |
| 3. Pichai | Vasnasong | Director |
| Ko | van der Meer | Secretary |

Compensation Committee

The Compensation Committee is responsible for considering and making recommendations on Directors' emoluments. It designates which managers will come under the authority of the committee and considers and reviews their appropriate remuneration and other benefits. It also considers and decides issues relating to separation payments in the case of early termination or dismissals of the designated managers.

The committee consists of:

- | | | |
|--------------------------------------|-------------|----------|
| 1. Chavalit | Thanachanan | Chairman |
| 2. Chulakorn | Singhakowin | Director |
| 3. Representative from ABN AMRO Bank | | Director |

Executive Committee

The Board of Directors manages the Bank through the Executive Committee, whose main responsibility includes monitoring progress of the Bank in carrying out its business plan.

The committee consists of:

- | | | |
|---------------|-------------------|-----------|
| 1. Chavalit | Thanachanan | Chairman |
| 2. Chulakorn | Singhakowin | Director |
| 3. Chitraporn | Tangsuwan | Director |
| 4. Gert Jan | van der Putten | Director |
| | Rajanikorn Rajani | Secretary |

Corporate Risk Management Committee

The committee is responsible for setting up policies covering all aspects of corporate risk management and setting strategies in line with those policies, such that all risks of the Bank can be evaluated, followed up and managed at the appropriate level. The committee also reviews the sufficiency of risk policies, the effectiveness of risk management systems and the compliance of operations, and regularly reports to the audit committee on items for revision in order to comply with the established policies and strategies.

The committee consists of:

- | | | | |
|------------------|----------------|---------------------------------|---------------------------|
| 1. Chulakorn | Singhakowin | President and CEO | as Chairman |
| 2. Chitraporn | Tangsuwan | Senior Executive Vice President | as Director |
| 3. Gert Jan | van der Putten | Senior Executive Vice President | as Director |
| 4. Chris | Power | Executive Vice President | as Director |
| 5. Lloyd William | Rolston | Executive Vice President | as Director and Secretary |

Management Committee

The Management Committee is responsible for establishing the Bank's strategy in carrying out its businesses in order to achieve operational objectives. The committee also approves the Bank's financial budget and major investments as well as supervising and monitoring the progress of work done by each business group, other committees or working groups appointed to specific projects.

The committee consists of:

| | | | |
|------------------|----------------|---------------------------------|------------------|
| 1. Chulakorn | Singhakowin | President and CEO | as Chairman |
| 2. Chitraporn | Tangsuwan | Senior Executive Vice President | as Vice Chairman |
| 3. Gert Jan | van der Putten | Senior Executive Vice President | as Vice Chairman |
| 4. Chris | Power | Executive Vice President | as Director |
| 5. Egge | de Vries | Executive Vice President | as Director |
| 6. Jonathan | Truslow | Executive Vice President | as Director |
| 7. Ko | van der Meer | Executive Vice President | as Director |
| 8. Lloyd William | Rolston | Executive Vice President | as Director |
| 9. Ngamjitt | Sirijindalert | Executive Vice President | as Director |
| 10. Peter | Chow | Executive Vice President | as Director |
| 11. Pimolrat | Tangkosakul | Executive Vice President | as Director |
| 12. Somkid | Jiranuntarat | Executive Vice President | as Director |
| 13. Tarissa | Tanjasiri | Executive Vice President | as Director |
| 14. Thammasak | Jittimaporn | Executive Vice President | as Director |
| 15. Vilawan | Vanadurongvan | Executive Vice President | as Director |
| Rajanikorn | Rajani | Vice President | as Secretary |

Assets and Liabilities Committee (ALCO)

The Assets and Liabilities Committee is responsible for identifying and managing the associated risks (i.e. market risk, liquidity risk, interest rate risk, etc.) inherent in the Bank's balance sheet and income statement. It also determines interest rate and pricing strategy, reviews and determines asset and liability structures, and approves the Bank's major strategic investments.

The committee consists of:

| | | | |
|---------------|----------------|---------------------------------|--------------|
| 1. Chulakorn | Singhakowin | President and CEO | as Chairman |
| 2. Chitraporn | Tangsuwan | Senior Executive Vice President | as Director |
| 3. Gert Jan | van der Putten | Senior Executive Vice President | as Director |
| 4. Chris | Power | Executive Vice President | as Director |
| 5. Egge | de Vries | Executive Vice President | as Director |
| 6. Jonathan | Truslow | Executive Vice President | as Director |
| 7. Peter | Chow | Executive Vice President | as Director |
| 8. Tarissa | Tanjasiri | Executive Vice President | as Director |
| 9. Thammasak | Jittimaporn | Executive Vice President | as Director |
| 10. Dhirajai | Yongkittikul | Senior Vice President | as Director |
| Sanchai | Apisaksirikul | Senior Vice President | as Secretary |

Risk Management Committee

The committee is responsible for formulating the Bank's risk management policies, credit procedures and processes as well as approving credit applications.

The committee consists of:

| | | | |
|------------------|------------------|---------------------------------|-------------|
| 1. Gert Jan | van der Putten | Senior Executive Vice President | as Chairman |
| 2. Lloyd William | Rolston | Executive Vice President | as Director |
| 3. Tarissa | Tanjasiri | Executive Vice President | as Director |
| 4. Vilawan | Vanadurongvan | Executive Vice President | as Director |
| 5. Chongrak | Politanont | Senior Vice President | as Director |
| 6. Mark | Chen | Senior Vice President | as Director |
| 7. Pansalit | Trakarnkijvichit | Senior Vice President | as Director |
| 8. Yingluk | Kongkasai | Senior Vice President | as Director |

Financial Restructuring & Recovery Committee

The committee is responsible for approving the terms and conditions for the Bank's impaired loans.

The committee consists of:

| | | | |
|------------------|----------------|---------------------------------|-------------|
| 1. Gert Jan | van der Putten | Senior Executive Vice President | as Chairman |
| 2. Lloyd William | Rolston | Executive Vice President | as Director |
| 3. Suthep | Dansiriviroj | Senior Vice President | as Director |
| 4. Vajee | Pramualrat | Senior Vice President | as Director |

Operational Risk Management Steering Committee

The committee is responsible for setting the policy and guidelines of the Bank's Operational Risk Management (ORM). It is also in charge of developing, and improving the (bank-wide) ORM process. In addition, the committee provides support with implementing the process and interpreting related policy and guidelines. This includes developing and rolling out the risk assessment methodology.

The committee consists of:

| | | | |
|------------------|----------------|---------------------------------|--------------|
| 1. Chulakorn | Singhakowin | President and CEO | as Chairman |
| 2. Gert Jan | van der Putten | Senior Executive Vice President | as Director |
| 3. Chris | Power | Executive Vice President | as Director |
| 4. Ko | van der Meers | Executive Vice President | as Director |
| 5. Lloyd William | Rolston | Executive Vice President | as Director |
| 6. Thammasak | Jittimaporn | Executive Vice President | as Director |
| Napaporn | Patoomban | Vice President | as Secretary |

IT Steering Committee

The committee is responsible for formulating the Bank's IT plan and ensuring it is aligned with the Bank's overall direction before submitting for approval from the Management Committee. The committee also considers and monitors the capital expenditure and expense related to the IT plan. In addition, the committee provides support to the Bank's MIS project and monitors the progress of information system development projects.

The committee consists of:

| | | | |
|------------------|---------------|---------------------------------|---------------------------|
| 1. Chitraporn | Tangsuwan | Senior Executive Vice President | as Chairman |
| 2. Vilawan | Vanadurongvan | Executive Vice President | as Vice Chairman |
| 3. Chris | Power | Executive Vice President | as Director |
| 4. Egge | de Vries | Executive Vice President | as Director |
| 5. Lloyd William | Rolston | Executive Vice President | as Director |
| 6. Pimolrat | Tangkosakul | Executive Vice President | as Director |
| 7. Somkid | Jiranuntarat | Executive Vice President | as Director |
| 8. Benjana | Asavametha | Senior Vice President | as Director |
| 9. Ngamjitt | Sirijindalert | Executive Vice President | as Director and Secretary |

Crisis Management Team

The committee is responsible for preparing contingency plans in order to deal with any crisis that may occur including the location of the crisis management center and the organization of the team and required equipment.

The committee consists of:

| | | | |
|---------------|---------------|---------------------------------|---------------------------|
| 1. Chitraporn | Tangsuwan | Senior Executive Vice President | as Chairman |
| 2. Vilawan | Vanadurongvan | Executive Vice President | as Vice Chairman |
| 3. Pimolrat | Tangkosakul | Executive Vice President | as Director |
| 4. Somkid | Jiranuntarat | Executive Vice President | as Director |
| 5. Sewsin | Singprasong | Senior Vice President | as Director |
| 6. Chavalit | Timpitaya | Vice President | as Director |
| 7. Benjana | Asavametha | Senior Vice President | as Director and Secretary |

Asset Valuation and Provisioning Committee

The committee is responsible for strategically review and position the level of Bank's provisions and asset valuations, including align the Bank's debt-restructuring plan.

The committee consists of:

| | | | |
|---------------|----------------|---------------------------------|---------------------------|
| 1. Chulakorn | Singhakowin | President & CEO | as Chairman |
| 2. Gert Jan | van der Putten | Senior Executive Vice President | as Vice Chairman |
| 3. Chitraporn | Tangsuwan | Senior Executive Vice President | as Director |
| 4. Chris | Power | Executive Vice President | as Director |
| 5. Prasert | Larppitmongkol | Senior Vice President | as Director |
| 6. Sanchai | Apisaksirikul | Senior Vice President | as Director |
| 7. Suthep | Dansiriviroj | Senior Vice President | as Director |
| 8. Vajee | Pramualrat | Senior Vice President | as Director and Secretary |

Business Strategy and Performance Committee

The Business Strategy and Performance Committee is responsible for establishing and developing the Bank's business strategy including the identification and evaluation of target markets, the setting of growth and market share targets and aligning distribution channels to the target identified. This includes the development of medium term strategies and managing for value target agreed with the major shareholder. The committee also monitors the Bank's performance against the targets and recommends action where targets are not being achieved.

The committee consists of:

| | | | |
|---------------|----------------|---------------------------------|---------------------------|
| 1. Chulakorn | Singhakowin | President and CEO | as Chairman |
| 2. Chitraporn | Tangsuwan | Senior Executive Vice President | as Vice Chairman |
| 3. Gert Jan | van der Putten | Senior Executive Vice President | as Vice Chairman |
| 4. Egge | de Vries | Executive Vice President | as Director |
| 5. Peter | Chow | Executive Vice President | as Director |
| 6. Tarissa | Tanjasiri | Executive Vice President | as Director |
| 7. Thammasak | Jittimaporn | Executive Vice President | as Director |
| 8. Vilawan | Vanadurongvan | Executive Vice President | as Director |
| 9. Jonathan | Truslow | Executive Vice President | as Director and Secretary |

Consumer Risk Management Committee

The committee is responsible for considering and approving Consumer Loan Product Programs, their promotion and launching plans, approving deviation cases for granting consumer loans and setting the approval limit of authorized persons. This committee is also responsible for monitoring overall consumer loan portfolio performance.

The committee consists of:

| | | | |
|------------------|----------------|---------------------------------|---------------------------|
| 1. Gert Jan | van der Putten | Senior Executive Vice President | as Chairman |
| 2. Lloyd William | Rolston | Executive Vice President | as Director |
| 3. Peter | Chow | Executive Vice President | as Director |
| 4. Thammasak | Jittimaporn | Executive Vice President | as Director |
| 5. Ajay | Verma | Senior Vice President | as Director |
| 6. Marty | Gonzalez | Vice President | as Director and Secretary |

Election of Bank's Board of Directors

Bank of Asia has not established a nominating committee for the appointment of directors. However, the Directors and the Management of the Bank strictly complied with Guidelines and Code of Ethics in accordance with rules and regulations of related authorities and the Code of Conduct of the Bank.

In the election of directors, each shareholder shall have one vote for each share held. Each shareholder must exercise all of his votes to elect one or several candidates as directors. He may not distribute his votes among the candidates (such that one candidate receives more votes than another). Those candidates who receive the most votes shall be elected as directors, in number equal to the number of directors to be elected at such election. If there are tie votes, such that the number of candidates receiving the most votes would exceed the number of directors to be elected at such election, the chairman shall have a casting vote.

If a vacancy occurs in the Board of Directors for reasons other than retirement by rotation, the Board of Directors shall elect a person who has the required qualifications and who does not have a prohibited characteristic under the Public Limited Companies Act as a replacement at the next meeting of the Board of Directors, unless the duration of the remaining term of such director is less than two months. Such replacement director shall hold office for the remaining term of office of the director whom he replaces. The resolution of the Board of Directors as above shall be passed by a vote of not less than three fourths of the number of the remaining directors.

Management List

President and CEO

Chulakorn Singhakowin

Senior Executive Vice President

Chitraporn Tangsuwan

Gert Jan van der Putten

Operations Group

Risk Management Group

Executive Vice President

Chris Power

Egge de Vries

Jonathan Truslow

Ko van der Meer

Lloyd William Rolston

Ngamjitt Sirijindalert

Peter Chow

Pimolrat Tangkosakul

Somkid Jiranuntarat

Tarissa Tanjasiri

Thammasak Jittimaporn

Vilawan Vanadurongvan

Finance Division

Treasury Management Division

Strategy and Research Division

Audit Division

Risk Management Division

Centralized Information Management Division

Product and Marketing Division

Human Resources Division

Information Technology Division

Commercial Sales Division

Retail Sales and Customer Services Division

e-Channels and Business Enhancement Division

Contact

| Branch | Location | Telephone(+66) | Fax (+66) |
|---------------------------|---|--------------------------------------|---------------|
| Sathon (9.30am-5.00pm) | 191 South Sathon Road, Sathon, Bangkok 10120 | 0-2343-3000 Ext. 2682, 2684, 2686 | 0-2287-2973-4 |

Bangkok Metropolitan Branch Offices

| | | | |
|--|---|---|-------------|
| 1. Amarin Plaza (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm) | 500 1st Floor, Amarin Plaza, Ploenchit Road, Pathum Wan, Bangkok 10500 | 0-2252-6292-3, 0-2251-8579, 0-2256-9045-6 | 0-2252-7871 |
| 2. Anusavaree Chaisamorphoom | 911/1-3 Phaholyothin Road, Phaya Thai, Bangkok 10400 | 0-2271-0089, 0-2271-3447, 0-2271-2662, 0-2619-5916 | 0-2271-0088 |
| 3. Bang Bon | 72/65-68 Mu 6, Eakchai-Bangbon Road, Bang Bon, Bangkok 10150 | 0-2898-0423-5, 0-2415-6984 | 0-2898-0426 |
| 4. Bang Kapi (sub branch) | 177/22-23 Mu 3, Ladphrao Road, Bang Kapi, Bangkok 10240 | 0-2378-0973-4, 0-2375-0201, 0-2375-0203 | 0-2378-0975 |
| 5. Bangrak | 1249/19, 1249/50, 1249/59 Jems Tower Building, Charoen Krung Road, Bangrak, Bangkok 10500 | 0-2237-5050-1, 0-2237-8577-8, 0-2234-5265, 0-2266-9896-7 | 0-2266-9667 |
| 6. Bangna K.M.2 | 21/235-236 Mu 12, Bangna, Bangkok 10260 | 0-2396-1931, 0-2393-9825, 0-2399-0178-81 | 0-2393-6147 |
| 7. BTS Mochit (sub branch) (everyday 9.30am-8.00 pm) | BTS Mochit, Phaholyothin Road, Chatuchak, Bangkok 10900 | 0-2617-4005-6, 0-2617-4009 | 0-2617-4007 |
| 8. BTS On Nut (sub branch) (everyday 9.30am-8.00 pm) | BTS On Nut, Sukhumvit Road, Klong Toey, Bangkok 10110 | 0-2741-4206-7, 0-2741-4210 | 0-2741-4208 |
| 9. Buntudthong | 56/20, 56/59-62 Rama I Road, Pathum Wan, Bangkok 10330 | 0-2214-1733, 0-2214-2067, 0-2214-2252, 0-2214-1292 | 0-2215-4836 |
| 10. Chaengwatana | 99/349 Mu 2, Na Nakorn Building, Chaengwatana Road, Donmuang, Bangkok 10210 | 0-2576-1057-60, 0-2576-1490, 0-2576-1544-5 | 0-2576-1533 |
| 11. City Complex (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm) | 831 City Complex Building, Petchburi Road, Rajathevee, Bangkok 10400 | 0-2255-0746, 0-2255-0749, 0-2653-8522, 0-2252-1211 | 0-2255-0748 |
| 12. Dao Khanong (sub branch) | 1057/9-10 Taksin Road, Thon Buri, Bangkok 10600 | 0-2460-0157, 0-2460-0159, 0-2460-0243 | 0-2460-0245 |
| 13. Department of Industrial Works (sub branch) | 75/6 Department of Industrial Works Building, Rama VI Road, Rajathevee, Bangkok 10400 | 0-2640-9723-4, 0-2640-9727 | 0-2640-9725 |
| 14. Hua Mark | 1929/3-5 Ramkhamhaeng Road, Bang Kapi, Bangkok 10240 | 0-2318-8561-4, 0-2718-4624, 0-2319-3062 | 0-2318-0139 |
| 15. Imperial (Ladphrao 81) | 2539 Basement Floor, Imperial World Department Store, Ladphrao Road, Wang Thong Lang, Bangkok 10310 | 0-2934-8686-9, 0-2934-8691 | 0-2934-8690 |
| 16. Klong Toey | 1472-1474 Rama IV Department Store, Rama IV Road, Klong Toey, Bangkok 10110 | 0-2249-0886-7 | 0-2249-4075 |
| 17. Ladphrao | 1558 Ladphrao Road, Wang Thong Lang, Bangkok 10310 | 0-2514-2709, 0-2514-2964, 0-2539-5800, 0-2530-1120 | 0-2539-2003 |
| 18. Ngam Wong Wan (sub branch) | 207/15 Mu 6, Ngam Wong Wan Road, Luksi, Bangkok 10210 | 0-2591-7902, 0-2591-0770, 0-2591-0772 | 0-2591-0771 |
| 19. Nong Khaem | 77/207 Mu 2, Phetkasem Road, Nong Khaem, Bangkok 10160 | 0-2420-7941-4 | 0-2420-7940 |

Contact

| Branch | Location | Telephone (+66) | Fax (+66) |
|--|--|---|-------------|
| 20. Nonthaburi | 32/16-19 Bangkok-Nonthaburi Road, Muang, Nonthaburi 11000 | 0-2525-1770-2, 0-2968-4592-4 | 0-2526-2993 |
| 21. On Nut | 1468, 1470 On Nut Road, Suan Luang, Bangkok 10250 | 0-2332-3134-7 | 0-2331-8519 |
| 22. Phaholyothin K.M.26 | 1/737 Mu 17, Soi Amporn, Lam Luk Ka, Pathum Thani 12150 | 0-2532-3645-50, 0-2532-3644 | 0-2532-3641 |
| 23. Phaholyothin Soi 19 | 555 Rasa Tower Building, Phaholyothin Road, Chatuchak, Bangkok 10900 | 0-2937-0300-4 | 0-2937-0305 |
| 24. Phahurad (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm) | 2/30-33, 4/11-14 The Old Siam Plaza, Burapa Road, Phra Nakhon, Bangkok 10200 | 0-2222-0176-9, 0-2222-4113-4, 0-2223-1854-5, 0-2223-6233, 0-2221-7236 | 0-2223-0708 |
| 25. Phetchakasem 35 (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm) | 110 Mu 9, Future Park-Robinson Bangkae, Phetchakasem 35 Road, Phasi Charoen, Bangkok 10160 | 0-2454-8690-5 | 0-2454-8696 |
| 26. Phra Pinklao | 30 Charansnidvongs Road, Bangplad, Bangkok 10700 | 0-2434-7110-3 | 0-2434-7114 |
| 27. Ramintra K.M.9 (Mon.-Fri. 9.30am-5.00pm) (Sat.-Sun. 11.00am-5.00pm) | 5/5-6 Mu 7, Fashion Island Department Store, Ramintra Road, Kunnayao, Bangkok 10230 | 0-2947-5307-9, 0-2947-5311 | 0-2947-5310 |
| 28. Ratchada-Huay Khwang | 167/8 Ratchadaphisek Road, Din Daeng, Bangkok 10320 | 0-2276-9408-11, 0-2276-9414 | 0-2276-9413 |
| 29. Ratchada-Sathupradit | 127/1 Nonsee Road, Yannawa, Bangkok 10120 | 0-2681-1111-5 | 0-2681-1110 |
| 30. Rangsit (Mon.-Fri. 9.30am-5.00 pm) (Sat.-Sun. 11.00am-5.00 pm) | 161 Mu 2, Future Park Rangsit Building, Tanya Buri, Pathum Thani 12110 | 0-2958-0562-7 | 0-2958-0568 |
| 31. Sam Yaek | 601 Charoen Krung Road, Samphanthawong, Bangkok 10100 | 0-2222-5111-6 | 0-2222-1354 |
| 32. Samrong | 999/99 Mu 1, Sukhumvit Road, Muang, Samut Prakan 10270 | 0-2384-7656, 0-2384-4510, 0-2394-0422, 0-2394-0428 | 0-2384-4352 |
| 33. Saphan Khao | 325/168 Lukluang Road, Dusit, Bangkok 10300 | 0-2282-3665, 0-2282-3796, 0-2282-4374, 0-2282-3694-5 | 0-2282-1914 |
| 34. Sathon 2 | 179/3 Bangkok City Tower Building, South Sathon Road, Sathon, Bangkok 10120 | 0-2679-5700-2, 0-2679-5704 | 0-2679-5703 |
| 35. Si Phraya (9.30am-5.00pm) | 295 Si Phraya Road, Bangrak, Bangkok 10500 | 0-2235-2884-7, 0-2236-6805 | 0-2235-2882 |
| 36. Siam Square (sub branch) (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm) | 410-410/1 Siam Square Soi 6, Rama I Road, Pathum Wan, Bangkok 10500 | 0-2251-3343, 0-2251-2145, 0-2251-2278, 0-2254-6800 | 0-2251-2280 |
| 37. Silom Complex (sub branch) (9.30am-5.00pm) | 191 Silom Complex Building, Silom Road, Bangrak, Bangkok 10500 | 0-2231-3139-40, 0-2231-3100-1 | 0-2231-3137 |
| 38. Soi Chokechai 4 (sub branch) | 141/3-4 Soi Chokechai 4(Ladphrao 53), Wang Thong Lang, Bangkok 10310 | 0-2539-6111-3 | 0-2539-3500 |
| 39. Soi Sukhumvit 101/1 (9.30am-5.00pm) | 339/101-102 Soi Sukhumvit 101/1, Sukhumvit Road, Pra Khanong, Bangkok 10260 | 0-2361-6418-20, 0-2393-9952, 0-2399-4968 | 0-2399-5132 |
| 40. Soi Yoo Dee | 597/113-114 Trok Watchannai, Chan Road, Bang Khoe Laem, Bangkok 10120 | 0-2292-1627-8, 0-2291-4904-5 | 0-2291-4906 |
| 41. Songwad | 1252-4 Songwad Road, Samphanthawong, Bangkok 10100 | 0-2225-6254-7, 0-2226-3606-7 | 0-2225-6256 |

Contact

| Branch | Location | Telephone (+66) | Fax (+66) |
|---|--|---|-------------|
| 42. Sri Yan (sub branch) | 468-468/1 Nakhon Chai Sri Road, Dusit, Bangkok 10300 | 0-2243-0914-5, 0-2241-3467, 0-2243-3725 | 0-2241-3425 |
| 43. St.Louis 3 (sub branch) | 9/10 Trok Chan Saphan 3, Chan Road, Sathon, Bangkok 10120 | 0-2212-7024, 0-2211-1407 | 0-2211-0815 |
| 44. Sukhumvit 4 (sub branch) (9.30am-5.00pm) | 142 Sukhumvit Road, Klong Toey, Bangkok 10110 | 0-2653-2178-9, 0-2253-5137, 0-2653-2218 | 0-2653-2181 |
| 45. Sukhumvit 25 | 1 Ban Chang Glass House Building, Soi Sukhumvit 25, Klong Toey, Bangkok 10110 | 0-2258-0270-1, 0-2260-6117-9, 0-2258-9330-2 | 0-2258-4582 |
| 46. Sukhumvit 83 | 2149 2nd Floor, Market Plus Building, Soi Sukhumvit 83, Pra Khanong, Bangkok 10260 | 0-2742-5812-5, 0-2742-5818 | 0-2742-5816 |
| 47. Sukhumvit 101 (Piyarom Park) (Mon.-Fri. 9.30am-5.00pm) (Sat. 11.00am-5.00pm) | 3079/25 Soi Piyabuttra, Sukhumvit Road, Phra Khanong, Bangkok 10260 | 0-2730-5100-3, 0-2730-5105 | 0-2730-5106 |
| 48. Suksawat | 86/17-19 Suksawat Road, Ratburana, Bangkok 10140 | 0-2468-4797, 0-2477-2411-2, 0-2477-2408 | 0-2468-6028 |
| 49. Taksin | 43,45,47 Taksin Road, Thon Buri, Bangkok 10600 | 0-2438-6429, 0-2438-0063, 0-2439-1864, 0-2437-2387 | 0-2438-6426 |
| 50. Talard Si Mummuang | 355/33-35 Mu 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani 12130 | 0-2536-7850, 0-2536-7852, 0-2536-7854-6 | 0-2536-7853 |
| 51. Thai Wah Tower (sub branch) | 21/63-66 Thai Wah Tower 1 Building, South Sathon Road, Sathon, Bangkok 10120 | 0-2285-0092-4 | 0-2285-0095 |
| 52. Thanon Khaolarm (sub branch) | 2214, 2216 Khaolarm Road, Samphanthawong, Bangkok 10100 | 0-2238-2540-2 | 0-2238-2543 |
| 53. Thanon Phaholyothin 8 (sub branch) (9.30am-5.00pm) | 414 G Floor, Shinawatra Tower 1 Building, Phaholyothin Road, Bangkok 10400 | 0-2616-9760-2, 0-2357-1690 | 0-2357-1490 |
| 54. Thanon Phraram 4 | 956 Udom Wittaya Building, Rama IV Road, Bangrak, Bangkok 10500 | 0-2636-2513-7 | 0-2636-2518 |
| 55. Thanon Phraram 6 (sub branch) | 118/1 Tipco Tower Building, Rama VI Road, Phaya Thai, Bangkok 10400 | 0-2357-3460-3 | 0-2357-3464 |
| 56. Thanon Phraram 9 | 100/123 2nd Floor, Vong Vanich Complex Building, Rama IX Road, Huay Khwang, Bangkok 10320 | 0-2245-5326-8, 0-2245-5117-8, 0-2245-9395 | 0-2245-9458 |
| 57. Thanon Pracha-U-Thit | 147/1-4 Mu 8, Pracha-U-Thit Road, Ratbunana Burana, Bangkok 10140 | 0-2873-1457-60, 0-2873-1439 | 0-2873-1440 |
| 58. Thanon Ramkhamhaeng 2 (sub branch) (9.30am-5.00pm) | 143 Mu 8, Ramkhamhaeng 2 Road, Pravej, Bangkok 10260 | 0-2316-9735-6 | 0-2316-9739 |
| 59. Thanon Srinakarin (sub branch) (Mon.-Fri. 9.30am-5.00pm) (Sat.-Sun. 11.00am-5.00pm) | 12/90 Mu 6, Seree Center Building, Srinakarin Road, Pravej, Bangkok 10260 | 0-2746-0816-8 | 0-2746-0819 |
| 60. Thanon Sri Wara | 314 Soi Ladphrao 94 (Panjmit), Sri Wara Road, Wang Thong Lang, Bangkok 10310 | 0-2559-3600-5, 0-2935-6025-6 | 0-2559-3606 |
| 61. Thanon Vorachak (sub branch) | 94-96 Vorachak Road, Pom Prap Sattru Phai, Bangkok 10100 | 0-2221-5223, 0-2225-9086, 0-2225-9088 | 0-2225-9087 |
| 62. Thanon Yaowaraj (sub branch) (Mon.-Fri. 9.30am-5.00pm) (Sat.11.00am-5.00pm) | 422, 424 Yaowaraj Road, Samphanthawong, Bangkok 10100 | 0-2226-2930-1, 0-2226-5855 | 0-2226-2933 |
| 63. Thonglor | 283/15-17, 283/65, Soi Thonglor 13, Sukhumvit 55 Road, Wattana, Bangkok 10250 | 0-2712-7150-5 | 0-2712-7156 |

Contact

| Branch | Location | Telephone (+66) | Fax (+66) |
|--|---|----------------------------------|-------------|
| 64. Tops Bangna (sub branch) (everyday 9.30am-8.00pm) | 1090 Mu 12, Central City Department Store, Bangna-Trad Road, Bangna, Bangkok 10260 | 0-2361-7851-3 | 0-2361-7854 |
| 65. Tops Bangrak (sub branch) (everyday 9.30am-8.00pm) | 1522 Robinson Bangrak Department Store, Charoen Krung Road, Bangrak, Bangkok 10500 | 0-2630-6482-3 | 0-2630-6484 |
| 66. Tops Chidlom (sub branch) (everyday 9.30am-8.00pm) | 22 Central Chidlom Department Store, Ploenchit Road, Pathum Wan, Bangkok 10330 | 0-2254-7120-2 | 0-2254-7123 |
| 67. Tops Lad Phrao (everyday 9.30am-8.00pm) | 1697 Central Lad Phrao Department Store, Phaholyothin Road, Chatuchak, Bangkok 10900 | 0-2937-1727-9 | 0-2937-1730 |
| 68. Tops Phra Pra Daeng (everyday 9.30am-8.00pm) | 360/14 Mu 7, Major Phra Pra Daeng Building, Suksawat Road, Ratburana, Bangkok 10140 | 0-2818-1970-2 | 0-2818-1973 |
| 69. Tops Pinklao (sub branch) (everyday 9.30am-8.00pm) | 7/1 Central Pinklao Department Store, Baromratchonnane Road, Bangkok-noi, Bangkok 10700 | 0-2884-8030-2 | 0-2884-8033 |
| New 70. Tops Rama 2 (sub branch) (everyday 9.30am-8.00pm) | 128 Mu 6, Central Plaza Rama 2 Department Store, Rama 2 Road, Bang Khun Thien, Bangkok 10150 | 0-2872-4710-4 | 0-2872-4715 |
| 71. Tops Ramintra (sub branch) (everyday 9.30am-8.00pm) | 109/9 Mu 3, Central Ramintra Department Store, Ramintra Road, Bangkok, Bangkok 10220 | 0-2522-6646-8 | 0-2522-6649 |
| 72. Tops Ratchadaphisek (sub branch) (everyday 9.30am-8.00pm) | 139 Robinson Ratchadaphisek Department Store, Ratchadaphisek Road, Din Daeng, Bangkok 10310 | 0-2246-5058-9, 0-2246-5101 | 0-2246-5578 |
| New 73. Tops Sukhaphiban 3 (sub branch) (everyday 9.30am-8.00pm) | 7/4 Mu 1, Tops Supermarket Sukhaphiban 3, Ramkhamhaeng Road, Saphansoong, Bangkok 10240 | 0-2729-4982-3 | 0-2372-1636 |
| 74. Tops Thanon Witthayu (sub branch) (everyday 9.30am-8.00pm) | 231 2nd Floor, CRC Tower Building, 87/2 Wireless Road, Pathum Wan, Bangkok 10330 | 0-2255-5392-4 | 0-2255-5395 |
| 75. Wiphawadi-Rangsit 9 (sub branch) | 21 T.S.T. Tower Building, Wiphawadi-Rangsit Road, Chatuchak, Bangkok 10900 | 0-2273-8120-1, 0-2273-8939-40 | 0-2273-8122 |

Upcountry Branch Offices Central Area

| | | | |
|-------------------------------------|--|--|-------------|
| New 1. Lop Buri (sub branch) | 21/11-12 Mu 1, Phaholyothin Road, Muang, Lop Buri 15000 | 0-3641-4248-9 | 0-3641-4251 |
| 2. Nakhon Pathom (8.30am-5.00pm) | 63-65 Rajvithi Road, Muang, Nakhon Pathom 73000 | 0-3425-1184-6, 0-3425-1178 | 0-3425-1187 |
| 3. Phra Nakhon Si Ayutthaya | 255 Mu 5, Rojana Road, Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya 13000 | 0-3524-6116, 0-3524-6030, 0-3522-9049 | 0-3524-1546 |
| 4. Sam Chuk | 225/2 Mu 2, Sam Chuk, Suphan Buri 72130 | 0-3557-1055, 0-3557-1980, 0-3557-1990 | 0-3557-1044 |
| 5. Samut Sakhon | 927/403 Sethakit 1 Road, Muang, Samut Sakhon 74000 | 0-3481-0514, 0-3481-0516, 0-3481-0275 | 0-3481-0513 |
| 6. Samut Songkhram (sub branch) | 125/104 Tang Kao Muang Road, Muang, Samut Songkhram 75000 | 0-3471-8111, 0-3471-8222, 0-3471-8626 | 0-3471-8627 |
| 7. Saraburi | 427 Phaholyothin Road, Muang, Saraburi 18000 | 0-3621-2137-8, 0-3631-2055-6 | 0-3622-1636 |

Western Area

| | | | |
|----------------------------------|--|---|-------------|
| 8. Damnoen Saduak | 234 Mu 8, Bangpare-Samut Songkhram Road, Damnoen Saduak, Ratchaburi 70130 | 0-3225-4444, 0-3225-4930, 0-3225-4332, 0-3224-1333 | 0-3225-4913 |
| New 9. Kanchanaburi (sub branch) | River Khwae Hotel, 284/15-16 Sangchutoe Road, Muang, Kanchanaburi 71000 | 0-3452-1621-3 | 0-3452-1624 |
| 10. Phetchaburi | 28 Panich Charoen Road, Muang, Phetchaburi 76000 | 0-3241-5883-4, 0-3242-5959, 0-3242-5169 | 0-3242-8517 |

Contact

| Branch | Location | Telephone (+66) | Fax (+66) |
|---|---|--|-------------|
| 11. Tops Ratchaburi (everyday 9.30am-8.00pm) | 265 Robinson Ratchaburi Department Store, Srisuriyawong Road, Muang, Ratchaburi 70000 | 0-3231-0321-3 | 0-3231-0324 |
| Eastern Area | | | |
| 12. Baan Bung | 403 Chon Buri- Baan Bung Road, Baan Bung, Chon Buri 20170 | 0-3844-3628, 0-3844-3072, 0-3875-0979-80, 0-3875-1118-9 | 0-3844-3039 |
| 13. Baan Chang | 51/12 Mu 5, Sukhumvit Road, Baan Chang, Rayong 21130 | 0-3860-3120-3 | 0-3860-3119 |
| 14. Bang Lamung | 90/27 Pattaya-Naglue Road, Bang Lamung, Chon Buri 20150 | 0-3842-8418, 0-3842-9333, 0-3842-7748-9, 0-3842-0273 | 0-3842-3332 |
| 15. Bang Pakong | 139 Mu 9, Bang Pakong, Chachoengsao 24130 | 0-3853-1297-8, 0-3853-2882 | 0-3853-2086 |
| 16. Chachoengsao | 94/3 Chumphon Road, Muang, Chachoengsao 24000 | 0-3851-1621-2, 0-3881-8149, 0-3851-4627-8 | 0-3851-1623 |
| 17. Chanthaburi | 82/9 Thachalab Road, Muang, Chanthaburi 22000 | 0-3931-2822, 0-3934-6616, 0-3934-6434-5 | 0-3932-1201 |
| 18. Chon Buri | 804 Kor. Chetchamnong Road, Muang, Chon Buri 20000 | 0-3827-3601-6 | 0-3827-3607 |
| 19. Chon Buri 2 | 116/110 Mu 3, Sukhumvit Road, Muang, Chon Buri 20000 | 0-3879-7457-9, 0-3879-7462 | 0-3879-7461 |
| 20. Eastern Seaboard | 24/1 Mu 4, Thanon Hemaraj Avenue, Pluak Daeng, Rayong 21140 | 0-3895-5284-6, 0-3895-5288 | 0-3895-5287 |
| 21. Pattaya (sub branch) (8.30am-5.00pm) | 325/115-116 Mu 10, Pattaya Sai 2 Road, Bang Lamung, Chon Buri 20260 | 0-3842-9464, 0-3871-0414, 0-3841-0027 | 0-3842-9400 |
| 22. Rayong | 144/39-41 Sukhumvit Road, Muang, Rayong 21000 | 0-3861-4730-3, 0-3861-4735-6 | 0-3861-4734 |
| 23. Sriracha | 135/19 Sukhumvit Road, Sriracha, Chon Buri 20110 | 0-3832-4500-2, 0-3832-4504 | 0-3832-4503 |
| 24. Tops Sriracha (sub branch) (everyday 9.30am-8.00pm) | 90/1 Robinson Sriracha Department Store, Sukhumvit Road, Sriracha, Chon Buri 20110 | 0-3832-8458, 0-3832-8459-60 | 0-3832-8461 |
| Northern Area | | | |
| 25. Chiang Mai | 149-149/1-3 Chang-Klarn Road, Muang, Chiang Mai 50100 | 0-5327-0029-30, 0-5328-2903, 0-5382-1080-1 | 0-5328-2015 |
| 26. Chiang Rai | 643/5 Mu 3, Utrakit Road, Muang, Chiang Rai 57000 | 0-5371-6786, 0-5371-1414, 0-5371-6557, 0-5371-6777 | 0-5371-5429 |
| 27. Lampang | 255 Boonwat Road, Muang, Lampang 52000 | 0-5421-8383, 0-5422-7383, 0-5421-8454, 0-5421-8373 | 0-5422-7637 |
| 28. Nakhon Sawan | 532-534 Kosi Road, Muang, Nakhon Sawan 60000 | 0-5621-4109, 0-5621-4690, 0-5621-4709, 0-5631-4234-5 | 0-5621-3224 |
| 29. Pa Sang | 232 Mu 1, Lamphun-Pa Sang Road, Pa Sang, Lamphun 51120 | 0-5352-0282, 0-5352-0337 | 0-5352-0283 |
| 30. Phitsanulok | 112/39-41 Akartodsrod Road, Muang, Phitsanulok 65000 | 0-5522-5153-5 | 0-5522-5156 |
| 31. Thanon Highway-Chiang Mai | 1/99 Chiang Mai-Lampang Road, Muang, Chiang Mai 50000 | 0-5330-4701-4, 0-5330-4706 | 0-5330-4705 |
| New 32. Tops Airport (sub branch) (everyday 9.30am-8.00pm) | Tops Market Place Airport Chiang Mai, 2 Robinson Department Store Chiang Mai, Mahidol Road, Muang, Chiang Mai 50100 | 0-5390-4567-9 | 0-5390-4570 |
| Northeast Area | | | |
| 33. Khon Kaen | 34, 34/1-2 Namuang Road, Muang, Khon Kaen 40000 | 0-4323-7620-1, 0-4333-4577, 0-4323-7609 | 0-4323-7435 |

Contact

| Branch | Location | Telephone (+66) | Fax (+66) |
|---|--|--|-------------|
| 34. Nakhon Ratchasima | 2-4 Choempol Road, Muang, Nakhon Ratchasima 30000 | 0-4426-8873-7 | 0-4425-5476 |
| 35. Nakhon Ratchasima 2 | 545 Friendship Highway, Muang, Nakhon Ratchasima 30000 | 0-4426-3487-91 | 0-4426-3493 |
| New 36. Roiet | 427-429 Phadungpanich Road, Muang, Roiet 45000 | 0-4351-5850-1 | 0-4351-5854 |
| New 37. Sakon Nakhon | 1748/4 Sukkasaem Road, Muang, Sakon Nakhon 47000 | 0-4271-6350, 0-4271-6303 | 0-4271-6728 |
| 38. Surin | 79,81,83 Chitbumrung Road, Muang, Surin 32000 | 0-4453-8384, 0-4451-1848 | 0-4451-1081 |
| 39. Ubon Ratchathani | 177 Uparat Road, Muang, Ubon Ratchathani 34000 | 0-4524-3830-1, 0-4524-4270-1 | 0-4524-3832 |
| 40. Udon Thani (8.30am-5.00pm) | 359 Phosri Road, Muang, Udon Thani 41000 | 0-4222-1333, 0-4222-3613, 0-4234-3425, 0-4224-9590 | 0-4224-4062 |
| 41. Waeng Yai (sub branch) | 209 Mu 3, Sai Chonbod-Kudul Road, Waeng Yai, Khon Kaen 40330 | 0-4349-6124-5 | 0-4349-6126 |
| Southern Area | | | |
| 42. Hat Pa Tong (sub branch) | 97/4 Thawiwong Road, Krathu, Phuket 83150 | 0-7634-0489, 0-7634-0142-3 | 0-7634-1169 |
| 43. Hat Yai | 164 Nipat-utit 1 Road, Hat Yai, Songkhla 90110 | 0-7424-3032, 0-7424-5033, 0-7424-3810 | 0-7423-5606 |
| 44. Nakhon Sri Thammarat | 1719-1721 Rajdamnern Road, Muang, Nakhon Sri Thammarat 80000 | 0-7535-6112, 0-7535-6860-1 | 0-7531-1691 |
| 45. Pak Phanang | 415/1 Chainam Road, Pak Phanang, Nakhon Sri Thammarat 80140 | 0-7551-7324, 0-7551-7064, 0-7533-3886 | 0-7551-7248 |
| 46. Phuket | 206 Phuket Road, Muang, Phuket 83000 | 0-7621-1566, 0-7621-1577, 0-7621-4901-2, 0-7621-0970-1 | 0-7621-4903 |
| 47. Surat Thani | 191/1-3 Chonkasem Road, Muang, Surat Thani 84000 | 0-7728-6292-7 | 0-7728-6298 |
| 48. Tops Hat Yai Thanon Sanehanusorn (sub branch) (everyday 9.30am-8.00pm) | 1 Central Hat Yai Department Store, Sanehanusorn Road, Hat Yai, Songkhla 90110 | 0-7422-5441-3 | 0-7422-5444 |
| New 49. Trang | Tammarin Thana Hotel, 69/8 Huay Yod Road, Muang, Trang 92000 | 0-7521-7782-4 | 0-7521-7785 |
| 50. Tops Phuket (sub branch) (everyday 9.30am-8.00pm) | 36 Robinson Ocean Phuket Department Store, Thilok-Utit 1 Road, Muang, Phuket 83000 | 0-7621-0492, 0-7621-0526, 0-7621-0534, 0-7621-0575 | 0-7621-0596 |
| 51. Yala | 8-12 Pipitpakdi Road, Muang, Yala 95000 | 0-7321-2218, 0-7321-2414 | 0-7321-3764 |
| International Branch | | | |
| Cayman Islands | Scotiabank Building, Cardinal Avenue, George Town, Cayman Islands Contact address: 191 South Sathon Road, Sathon, Bangkok 10120 Thailand Telex. 84351 BKASIA TH S.W.I.F.T. BKASTHBK | 0-2343-3371, 0-2343-3362 | 0-2285-1414 |

Distribution Channels

| | |
|-------------------------|--------------------|
| Branches | 128 |
| ATM | 302 |
| Foreign Exchange Kiosks | 14 |
| Mobile Banking | 7 |
| ASIA Phone | 0-2285-1555 |
| Homepage | www.BankAsia4U.com |

Referred Persons

Auditor

Thiridthong Thepmongkorn
Certified Public Accountant ID# 3787
KPMG Phoomchai Audit Ltd.
21st Fl., Empire Tower,
195 South Sathon Road, Sathon, Bangkok 10120
Tel. +66 (0) 2677-2000
Fax. +66 (0) 2677-2222

Legal Adviser

Freshfields
10th Fl., Sathon City Tower,
175 South Sathon Road, Sathon, Bangkok 10120
Tel. +66 (0) 2344-9200
Fax. +66 (0) 2344-9300

Principal Paying and Conversion Agent-Euro Convertible Bonds

Citibank, N.A.
Citibank House
336 Strand, London WC2R 1HB UK
Tel. (44) 207-508-3887
Fax. (44) 207-508-3880

Registrar

Thailand Securities Depository Co., Ltd.
4, 6, 7th Fl., The Stock Exchange of Thailand Building,
62 Ratchadapisek Road, Klong Toey, Bangkok 10110
Tel. +66 (0) 2229-2800
Fax. +66 (0) 2654-5599

Company Information

| | |
|------------------------------------|--|
| Name | Bank of Asia Public Company Limited |
| Public Company Registration Number | 50 |
| Nature of Business | Commercial Bank |
| Registration Address | 191 South Sathon Road, Sathon, Bangkok 10120 |
| Telephone | +66 (0) 2343-3000 |
| Facsimile | +66 (0) 2287-2973-4 |
| Telex | 84351 BKASIA TH |
| S.W.I.F.T. | BKASTHBK |
| Homepage | www.BankAsia4U.com |
| Number of Employees | 2,952 persons |

| | 2003 | 2002 | 2001 |
|--------------------------------------|---------------|---------------|---------------|
| Share Capital | | | |
| Registered Capital (Shares) | 5,382,844,520 | 5,382,844,520 | 4,661,345,081 |
| Paid-up Capital (Shares) | 5,095,446,713 | 5,095,446,713 | 3,827,580,479 |
| Trading Information | | | |
| Average Daily Turnover (Shares) | 10,391,823 | 5,482,307 | 5,978,643 |
| High / Low Price (Baht) | 6.70 / 4.54 | 6.70 / 4.42 | 10.50 / 4.30 |
| Closing Price (Baht) | 5.20 | 4.66 | 4.98 |
| Market Capitalization (Baht Million) | 26,496 | 23,745 | 19,061 |

Major Shareholders as at March 21st, 2003

(The latest closing date of the shareholder register book)

| | No. of shares held | % of total shares |
|--|----------------------|-------------------|
| ABN AMRO Holdings (Thailand) Limited* | 4,115,769,676 | 80.77 |
| Nongluk Phatraprasit | 63,849,566 | 1.25 |
| Thai NVDR Co., Ltd. | 35,273,657 | 0.69 |
| Supachai Ampuch | 30,000,000 | 0.59 |
| Bank Thai Public Company Limited | 25,702,400 | 0.50 |
| Songsak Jitjoerjun | 25,500,000 | 0.50 |
| Vilaiphan Euarchukiati | 21,890,380 | 0.43 |
| Euarchukiati Co., Ltd. | 20,229,753 | 0.40 |
| Krung Thai Bank Public Company Limited | 20,000,000 | 0.39 |
| Government Pension Fund | 13,192,000 | 0.26 |
| | <u>4,371,407,432</u> | <u>85.79</u> |

* Shareholders of ABN AMRO Holdings (Thailand) Limited

1. ABN AMRO Asia Pacific PTE Limited
2. ABN AMRO Bank N.V.
3. ABN AMRO Bank N.V. (Bangkok Branch)
4. Individual (6 persons)

Major Business
Corporate
Banking
Banking
Employee

Credit Ratings

Summary

International Ratings

| | Long-term | Short-term | Outlook |
|---------------------------|-----------|------------|----------|
| Moody's Investors Service | Baa1 | Prime-2 | Stable |
| Fitch Ratings | BBB | F3 | Stable |
| Standard & Poor's | BB | B | Positive |
| Capital Intelligence | BBB- | A3 | Stable |

Moody's Investors Service

| | | |
|---------------------------|----------------|---------|
| Bank deposits | - Long-term | Baa1 |
| | - Short-term | Prime-2 |
| Financial strength (BFSR) | | D |
| Long-term debt | - Subordinated | Baa2 |
| Outlook | | Stable |

Fitch Ratings

| | | |
|------------------|--------------|--------|
| Foreign currency | - Long-term | BBB |
| | - Short-term | F3 |
| Individual | | D |
| Support | | 2 |
| Outlook | | Stable |

National Ratings

| | | |
|-------------------------------------|--------------|----------|
| Senior debt | - Long-term | AA+(tha) |
| | - Short-term | F1+(tha) |
| Subordinated (THB 2.0 bn, Due 2008) | | AA(tha) |
| Outlook | | Stable |

Standard & Poor's

| | | |
|--------------|--------------|----------|
| Counterparty | - Long-term | BB |
| | - Short-term | B |
| Outlook | | Positive |

Capital Intelligence

| | | |
|-------------------|--|--------|
| Long-term | | BBB- |
| Short-term | | A3 |
| Domestic strength | | BB+ |
| Support | | 2 |
| Outlook | | Stable |

Rating Rationale of Credit Rating Agencies *

Moody's Investors Service (December, 2003)

"BOA's D financial strength rating reflects BOA's improving financial fundamentals, capable and professional management, and a good risk management framework. The rating takes into consideration BOA's modest domestic franchise, improved asset quality and its access to external support if required. BOA was one of the banks that serviced retail customers and the small and middle market commercial sectors. It has maintained its leadership in service quality, product and technological innovation in its niche market- an increasingly attractive sector to its competitors.

The Baa1 deposit and debt ratings take into consideration our belief that the bank will benefit from strong support from the regulators and its financially sound parent, ABN AMRO. BOA is 81%- owned by the large Dutch ABN AMRO Bank, and its foreign parent is a critical strength."

Fitch Ratings (October, 2003)

"In September 2003, Fitch upgraded the international Long-term foreign currency ratings of Bank of Asia to 'BBB' from 'BBB-', following the upgrade of Thailand's ratings. BOA's international and national debt ratings are based on ABN AMRO remaining the controlling shareholder. The bank's Individual rating reflects its weaker stand-alone financial position, although this is improving.

BOA's profitability is showing a gradual improvement, with its net interest margin stable at about 2.3% on the back of lower funding costs and moderate growth in consumer lending. However, provision expenses in 2002 resulted in another large net loss of THB 3.0bn. Nonetheless, BOA should now be in a stronger position to report a significant improvement in 2003/4. The bank reported net income of THB 860 mn in 1H03."

* Details in Rating Report of each Credit Rating Agency

Standard & Poor's (January, 2004)

"The ratings on Bank of Asia Public Co., Ltd. (BoA) reflect the bank's improving stand-alone credit profile. This is underpinned by ongoing efforts to rehabilitate asset quality, which has helped to reduce the interest drag on nonperforming loans (NPL). Although the bank's better operating performance is influenced by economic conditions, it is due also to the bank's better selective lending approach and its more proactive management of deposit rates and funding structure. In addition, its improved operating cash flows should allow BoA to charge off impaired loans aggressively to rehabilitate asset quality. Other measures being adopted by BoA include selling off bad loans, stepping up legal action against recalcitrant debtors, and improving loan recovery efforts- all of which should help in managing its nonperforming assets (NPA) ratio."

Capital Intelligence (May, 2003)

"Although the Bank again made a loss at the net level in 2002, this was due to the final tranche of heavy provisioning; operating profits more than doubled. The heavy provisioning of 2001 and 2002 has left the Bank with one of the best coverage ratios in the sector, and means that provisioning this year should be modest. A return to profit at the net level is certain. The recapitalisation of 2002 has left the bank with strong capital ratios. Liquidity remains satisfactory, given the very liquid local market conditions and the sure support, if ever needed, of ABN-AMRO. CI raises its foreign currency ratings to BBB- long term and A3 short term. The financial strength rating however remains at BB+. Support remains at 2. The outlook is stable."